



THE STATE OF RISK OVERSIGHT

AN OVERVIEW OF ENTERPRISE RISK MANAGEMENT PRACTICES

17TH EDITION | 2026

Mark S. Beasley

Alan T. Dickson Distinguished
Professor of Accounting
Director, ERM Initiative

Bruce C. Branson

Alumni Distinguished
Professor of Accounting
Associate Director, ERM Initiative



NC STATE Poole College of Management

Enterprise Risk Management Initiative

About This Study

Today's global marketplace presents an ever-changing landscape of risks and opportunities affecting an organization's ability to achieve strategic success. Entities with a robust, enterprise-wide, and strategically focused approach to managing risks increase the odds that emerging risks can be identified early and managed proactively so that strategic objectives are met in line with the organization's mission and vision.

For the past 17 years, the American Institute of Certified Public Accountants (AICPA) Management Accounting – R&D Team and the Enterprise Risk Management (ERM) Initiative at NC State University have surveyed business leaders to learn more about their current enterprise-wide risk management approach. This report provides an overview of the current state of risk oversight practices in 331 organizations responding to the survey in 2026.

Nine Themes Addressed

This report summarizes findings from the survey data by identifying nine overarching questions related to these key themes:

- 1. Overview of Today's Risk Environment**
How do executives perceive the current risk environment?
- 2. Stakeholder Expectations for Risk Oversight**
What expectations do key stakeholders have for organizations to manage risks in today's marketplace?
- 3. Maturity of Risk Management Today**
What is the maturity of risk management in today's organizations?
- 4. Impediments for Advancing Risk Management**
What impedes progress in how organizations manage risks?
- 5. Opportunities to Leverage Risk Insights for Strategic Value**
How valuable are risk insights generated by risk management activities to strategic decision-making?
- 6. Management-level Accountabilities for Navigating Risks**
Who among management is leading the risk management process?
- 7. Board Oversight of Risks**
How is the board of directors fulfilling its risk oversight responsibilities?
- 8. Monitoring and Communicating Risk Information**
What techniques are used by management to monitor and communicate risk information?
- 9. Risk Management Fundamentals**
What approaches does management use to identify and prioritize risks?

A Deeper Dive

In addition to providing insights from the detailed analysis of survey questions linked to these nine themes for the full sample of 331 organizations, this 17th edition of the report also highlights key findings for the following subgroups of organizations (Note: some organizations are included in more than one category, therefore the sum of these exceeds 331):

102	Large organizations (those with revenues greater than \$1 billion)
67	Publicly traded companies
84	Financial services entities
97	Not-for-profit organizations, including governmental agencies

Opportunities for Organizational Leadership

We encourage executives and boards of directors to engage in discussions to pinpoint opportunities to strengthen the value of the organization’s approach to risk management. To help foster those conversations, this report includes questions to engage your leadership team in dialogue about opportunities to obtain greater strategic value from your organization’s risk management processes. These questions will hopefully help increase awareness of the need and opportunities to proactively manage risks as strategic decisions are made throughout the organization.

This report concludes with a summary of next steps that business leaders might consider as they evaluate how improvements might be made to enhance their risk oversight efforts.

MARK S. BEASLEY
Alan T. Dickson Distinguished Professor
Director, ERM Initiative

BRUCE C. BRANSON
Alumni Distinguished Professor of Accounting
Associate Director, ERM Initiative

The ERM Initiative in the Poole College of Management at North Carolina State University provides thought leadership on enterprise risk management (ERM) and its integration with strategic planning and corporate governance, with a focus on helping boards of directors and senior executives gain strategic advantage by strengthening their oversight of all types of risks affecting the enterprise. Our website (<https://www.erm.ncsu.edu>) includes an ERM Resource Center that contains summaries of over 600 ERM resources. Additional ERM resources are also available at <https://www.aicpa-cima.com>.

Executive Summary

The analysis identified the following key insights gleaned from the 331 participants who responded to over 40 questions related to their risk management processes in 2026.

An Intensifying and More Unpredictable Risk Landscape

Business leaders highlight a growing disconnect between the accelerating complexity of the risk environment and organizations' ability to manage those risks strategically. Executives overwhelmingly report that risks are more numerous, interconnected, and disruptive than in the past, with geopolitical uncertainty and unexpected operational disruptions placing increasing pressure on business models and strategic initiatives. As a result, the need for timely, decision-useful risk information has never been greater.

Rising Stakeholder Expectations — and a Need to Catch Up

At the same time, expectations for risk oversight continue to rise. Boards, audit committees, regulators, and investors are placing greater demands on senior management for transparency and active engagement in risk management. These expectations are often reinforced by recent unanticipated events that expose organizational vulnerabilities. Many organizations acknowledge that enhancements are still needed — particularly in areas such as business continuity and crisis management, indicating that practices have not fully kept pace with stakeholder demands.

ERM Maturity Remains Uneven and Still Evolving

Despite progress over time, risk management maturity remains mixed. Fewer than half of organizations describe their risk oversight as mature or robust. While larger and publicly traded entities are more likely to have formal enterprise risk management (ERM) frameworks, many organizations continue to rely on partial or informal approaches. Even where ERM exists, it is often not sufficiently embedded across the enterprise to provide a holistic, integrated view of risks. Cultural resistance, competing priorities, and resource constraints continue to limit advancement.

Limited Integration of Risk Insights into Strategy

A central finding is that risk management is still not being fully leveraged as a strategic enabler. Only a small percentage of organizations view their risk management processes as a source of competitive advantage. Risk insights are inconsistently incorporated into strategic planning, capital allocation, and board discussions, and relatively few organizations formally articulate risk appetite. Moreover, risk identification tends to focus on operational and compliance risks, with insufficient attention to emerging, strategic, and long-term risks that most directly affect future performance.

Strengthening Governance — But Gaps in Risk Communication

There has been noticeable progress in formalizing governance structures. More organizations are appointing chief risk officers, establishing management-level risk committees, and increasing board engagement through delegated oversight and formal reporting. However, communication practices often follow structural improvements. Risk information is frequently shared through *ad hoc* discussions rather than systematic, data-driven reporting supported by robust key risk indicators, limiting the depth of strategic dialogue.

Foundational Practices in Place — But Not Yet Advanced

Most organizations have established basic risk management processes, such as periodic risk identification and qualitative assessment frameworks. However, these practices often lack rigor, consistency, and forward-looking perspective. Many organizations do not maintain comprehensive enterprise-wide risk inventories, use limited quantitative analysis, and rarely employ tools such as scenario planning. As a result, their ability to anticipate and prepare for emerging and long-term risks remains constrained.

Closing the Gap: From Awareness to Strategic Value

Overall, the findings reveal that while awareness of risk has significantly increased, the strategic potential of risk management remains underrealized. Organizations that advance their capabilities will be those that move beyond compliance-oriented approaches and embed risk thinking into core strategic processes. Doing so will require stronger leadership accountability, deeper integration of risk insights into decision-making, enhanced risk intelligence, and a cultural shift that views proactive risk management as a driver of resilience and competitive advantage.

The remainder of this report provides insights from the survey organized along the nine themes. Each theme includes an overarching summary of key takeaways labeled as “*Answers at a Glance*” followed by suggested questions labeled as “*Issues to Discuss with Your Leadership*” that can be used to generate discussion among management related to that theme. Bar charts and tables follow that summarize specific data points from responses to questions we asked related to that theme.

Theme 1-Overview of Today's Business Risk Environment

Question: How do executives perceive the current risk environment?

Answers at a Glance

- ▶ Most executives reflect a perceived reality that risks are becoming more complex over time.
- ▶ The majority of respondents indicate that the volume and complexity of risks in 2026 are significantly greater than they were five years ago. This suggests that the need for risk information is vital for their organizations' success.
- ▶ Unmanaged risks are significantly disrupting operations, signaling that there is value in shifting risk management from a reactive to proactive stance.
- ▶ Escalating geopolitical risks are impacting the organization's business model and strategies, creating challenges for executives to navigate related uncertainties.

Issues to Discuss with Your Leadership

1. How are risks being managed by our organization today and why does that approach make sense considering today's fast-changing business environment?
2. How rapidly is our organization's business environment changing and how difficult is it for our leadership team to anticipate emerging risk issues, such as impacts to our business from geopolitical shifts?
3. What risks emerge that continue to surprise management? What kinds of information would enhance management's preparedness to navigate a sudden, unexpected risk event?

Data-Informed Insights from Executives

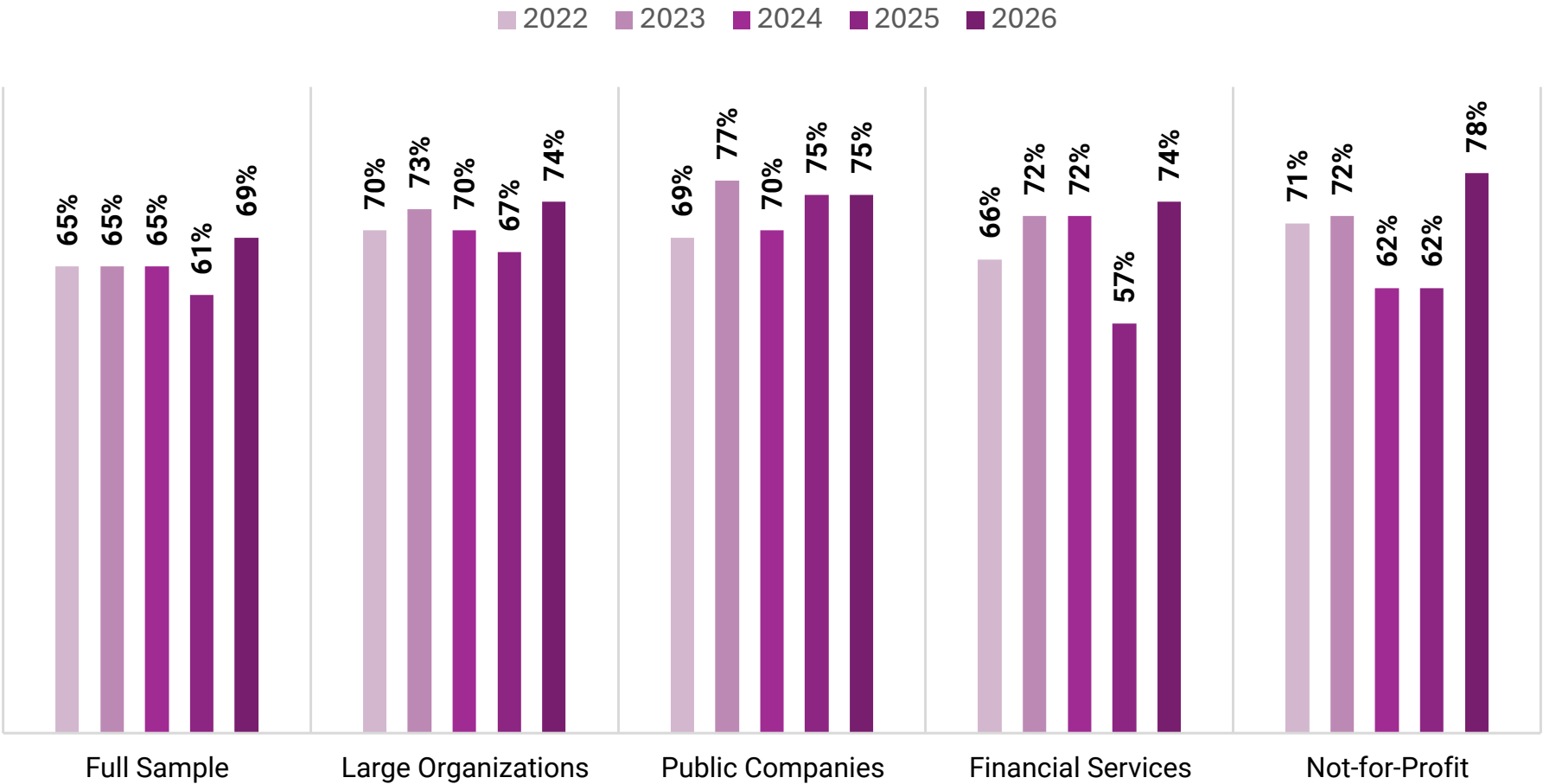
Uncertainties abound in today's marketplace, creating challenges for executives and boards to recognize risks and opportunities on the horizon. To learn more about how executives view the current risk landscape, survey participants were asked questions about how they perceive the state of emerging risks in the current business environment.¹

1. The majority of our questions allowed responses using a five-point scale ranging from "Not at All" to "Extensively." Other questions allowed for "yes" or "no" responses or other selections. The bar chart and tables presented in this report provide details about the specific questions asked.

Volume and Complexities of Risks

Question: To what extent has the volume and complexity of risks increased for your organization over the past 5 years?

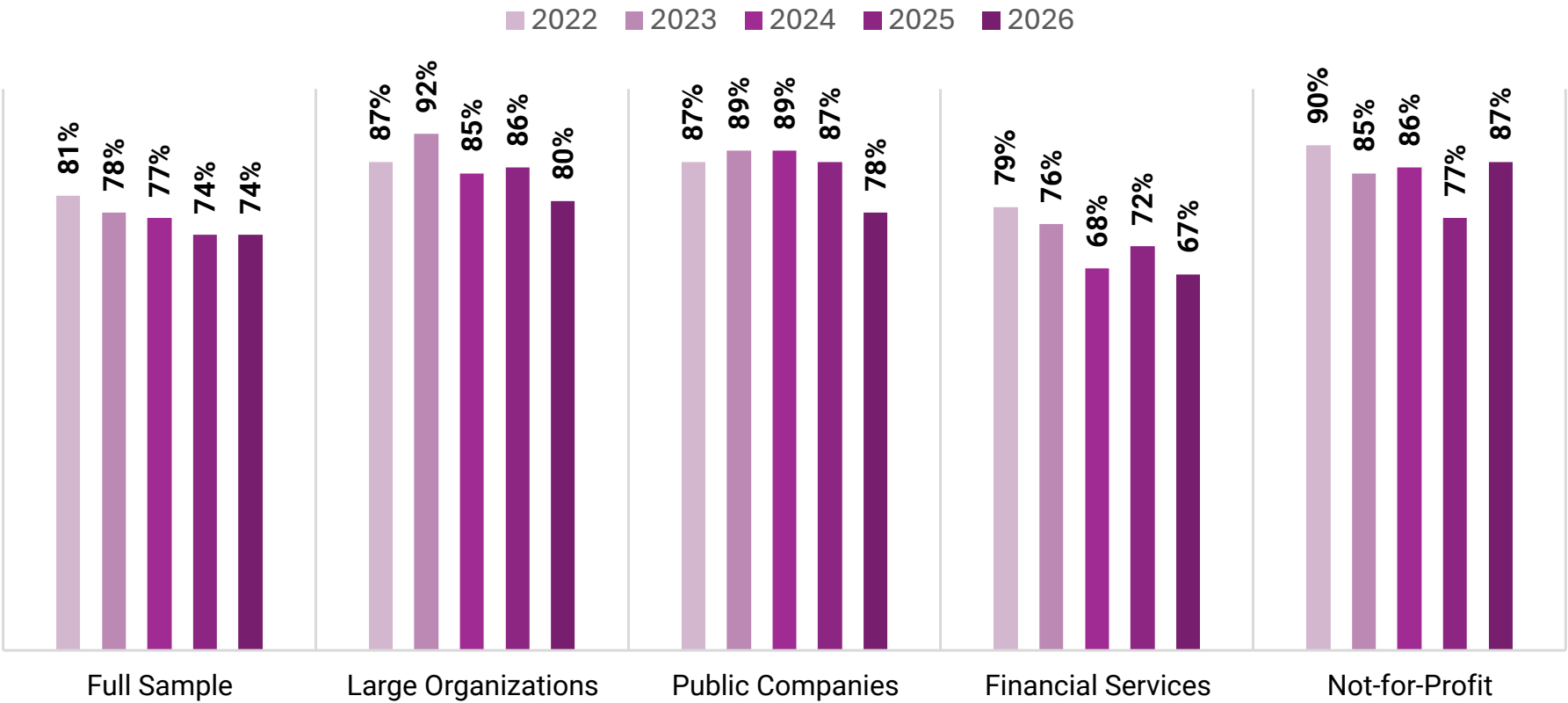
Volume & Complexities of Risks Increasing "Mostly" or "Extensively" in Past 5 Years



Unexpected Operational Disruptions

Question: To what extent has your organization faced a significant operational surprise in the past 5 years?

Percentage Experiencing Significant Operational Surprise
"Somewhat," "Mostly," or "Extensively" in Past 5 Years



Question: To what extent is uncertainty triggered by ongoing geopolitical events impacting the organization’s business model and new strategic initiatives?

To what extent is uncertainty triggered by ongoing geopolitical events impacting the organization’s business model and new strategic initiatives?	Percentage of Respondents				
	Not at All	Minimally	Somewhat	Mostly	Extensively
Full sample	5%	23%	36%	19%	17%
Large organizations	1%	21%	32%	26%	20%
Public companies	0%	20%	28%	28%	24%
Financial Services	8%	32%	38%	11%	11%
Not-for-Profit Organizations	0%	19%	39%	16%	26%

Theme 2-Stakeholder Expectations for Risk Oversight

Question: What expectations do key stakeholders have for organizations to manage risks in today's marketplace?

Answers at a Glance

- ▶ External stakeholders, particularly those associated with publicly traded companies, are putting more pressure on senior executives to provide more information about risks impacting the organization.
- ▶ Expectations are increasing, given that CEOs, boards of directors, and their audit committees are all asking for more senior executive involvement in risk oversight for their organizations.
- ▶ Part of that increased interest in more senior executive focus on risk management activities is triggered by unanticipated risk events that have impacted the organization. In fact, over one-third of organizations believe the organization needs to “mostly” to “extensively” enhance its approach to business continuity and crisis management.
- ▶ Emerging best practices and corporate governance requirements are also incentivizing greater engagement of senior leaders in risk management activities.
- ▶ CEOs are also calling for increased senior executive involvement in risk management.

Issues to Discuss with Your Leadership

1. What are the risk oversight expectations of our key stakeholders? How well are we meeting those expectations?
2. How are best practices related to enterprise-wide risk governance changing? Are we prepared to address these shifts?
3. What vulnerabilities in our risk management process have been revealed by recent unexpected events affecting our organization or peers in our industry?
4. How comprehensive is our organization's approach to business continuity planning? Does that process focus on key silos (e.g., disaster recovery) without obtaining a more enterprise-wide view of interrelated operations?

Data-Informed Insights from Executives

To learn more about how executives view the current risk landscape, survey participants were asked questions about their perceptions of changing expectations of their organizations' key stakeholders related to how their organization manages risks impacting strategic success. The bar charts and the tables provide details about 2026 responses.

Changing External Stakeholder Expectations for Enhanced Risk Oversight

Question: To what extent are external parties (e.g., investors, rating agencies, emerging best practices, etc.) applying pressure on senior executives and/or the board of directors to provide more information about risks affecting your organization?

Percentage of Respondents Selecting "Mostly" or Extensively"					
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Extent that external parties are "mostly" to "extensively" applying pressure on senior executives to provide more information about risks affecting the organization	28%	35%	33%	27%	29%

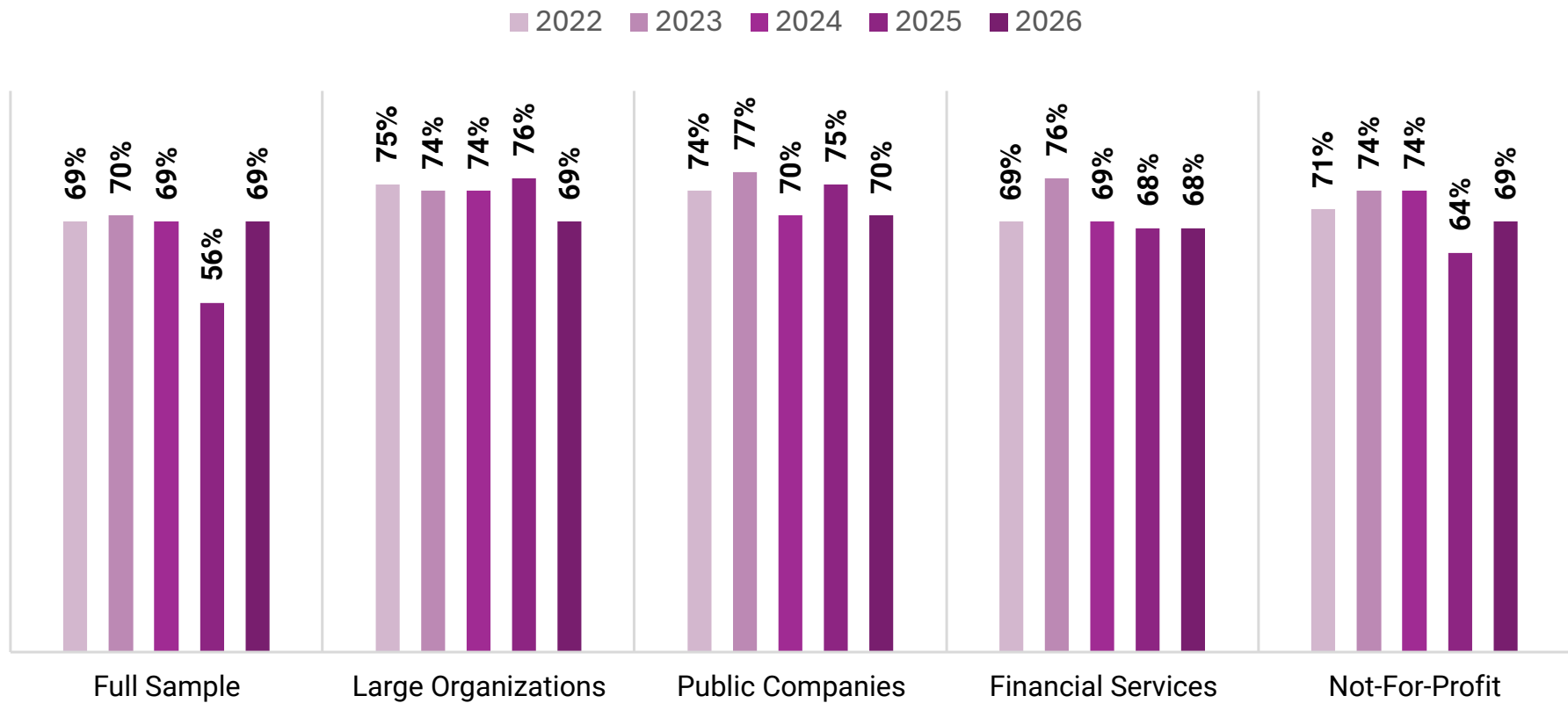
Question: To what extent have each of the following parties "mostly" to "extensively" asked for increased senior executive involvement in risk oversight?

Percentage of Respondents Selecting "Mostly" or Extensively"					
Which external parties are asking "Mostly" or "Extensively" for increases senior executive involvement in risk oversight?	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Board of directors	31%	36%	39%	32%	30%
Audit committee or other board committee	38%	52%	51%	38%	42%
Key stakeholders	19%	16%	13%	17%	18%
Regulators	18%	13%	16%	32%	13%

Shifting CEO Views on Risk Oversight

Question: To what extent is the CEO (President) asking for increased senior executive involvement in risk oversight?

Percentage Indicating CEO Calling "Somewhat," "Mostly," or "Extensively" for Increased Senior Executive Involvement in Risk Management



Question: To what extent are each of the following factors “mostly” to “extensively” increasing senior executives’ focus on risk management related activities?

Factors “Mostly” or “Extensively” Leading to Increased Senior Executive Focus on Risk Management Activities	Percentage of Respondents Selecting “Mostly” or Extensively”				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Unanticipated risk events affecting organization	38%	50%	43%	38%	42%
Unanticipated risk events affecting competitors	14%	15%	12%	17%	16%
Emerging best practice expectations	27%	25%	27%	35%	24%
Emerging corporate governance requirements	22%	20%	19%	29%	21%

Question: To what extent do you believe significant changes are warranted for your organization’s approach to business continuity planning and crisis management?

To what extent do you believe significant changes are warranted for your organization’s approach to business continuity and crisis management?	Percentage of Respondents				
	Not at All	Minimally	Somewhat	Mostly	Extensively
Full sample	2%	25%	34%	28%	11%
Large organizations	3%	25%	35%	25%	12%
Public companies	2%	30%	37%	22%	9%
Financial Services	1%	27%	45%	23%	4%
Not-for-Profit Organizations	0%	20%	29%	38%	13%

Theme 3-Maturity of Risk Management Today

Question: What is the maturity of risk management in today's organizations?

Answers at a Glance

- ▶ Fewer than half of our respondents describe their organization's risk management oversight processes as mature or robust. That's true even for large organizations and public companies.
- ▶ While most large organizations and public companies indicate that their organizations have a complete enterprise risk management (ERM) process in place, other organizations are much less likely to have significantly invested in ERM.

Issues to Discuss with Your Leadership

1. How robust is our organization's approach to risk management? What have we done to assess how mature/robust our risk management approach is?
2. How does our approach to risk management look today relative to a decade ago? Does our approach reflect today's risk environment?
3. How effective is our approach to risk management in helping our leadership recognize that individual risks are interrelated, suggesting that if one occurs, other risks will be triggered?
4. What processes help business leaders understand how their management of risks may unintendedly impact other business units, creating even greater risk concerns for our organization?

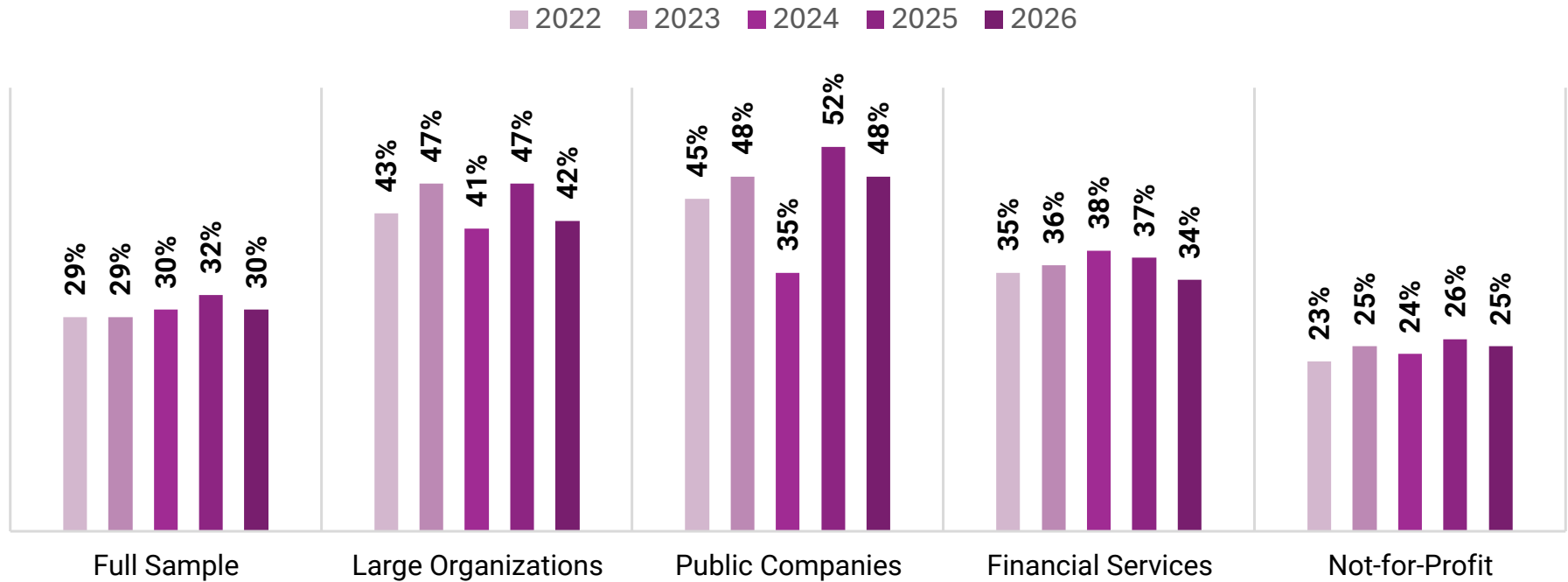
Data-Informed Insights from Executives

To learn more about the overall maturity of risk management practices in organizations, survey participants were asked the following questions. The bar charts reflect their responses over the past five years, and the tables provide more details about 2026 responses.

Robustness of Risk Management Processes

Question: What is the level of maturity of your organization's risk management oversight?

Percentage with "Mature" or "Robust" Risk Management Oversight



Following is a breakdown of 2026 responses.

What is the level of maturity of your organization's risk management oversight?	Percentage of Respondents				
	Very Immature	Developing	Evolving	Mature	Robust
Full Sample	8%	22%	40%	27%	3%
Large Organizations	1%	15%	42%	37%	5%
Public Companies	2%	13%	37%	45%	3%
Financial Services	7%	17%	42%	31%	3%
Not-for-Profit Organizations	7%	24%	44%	23%	2%

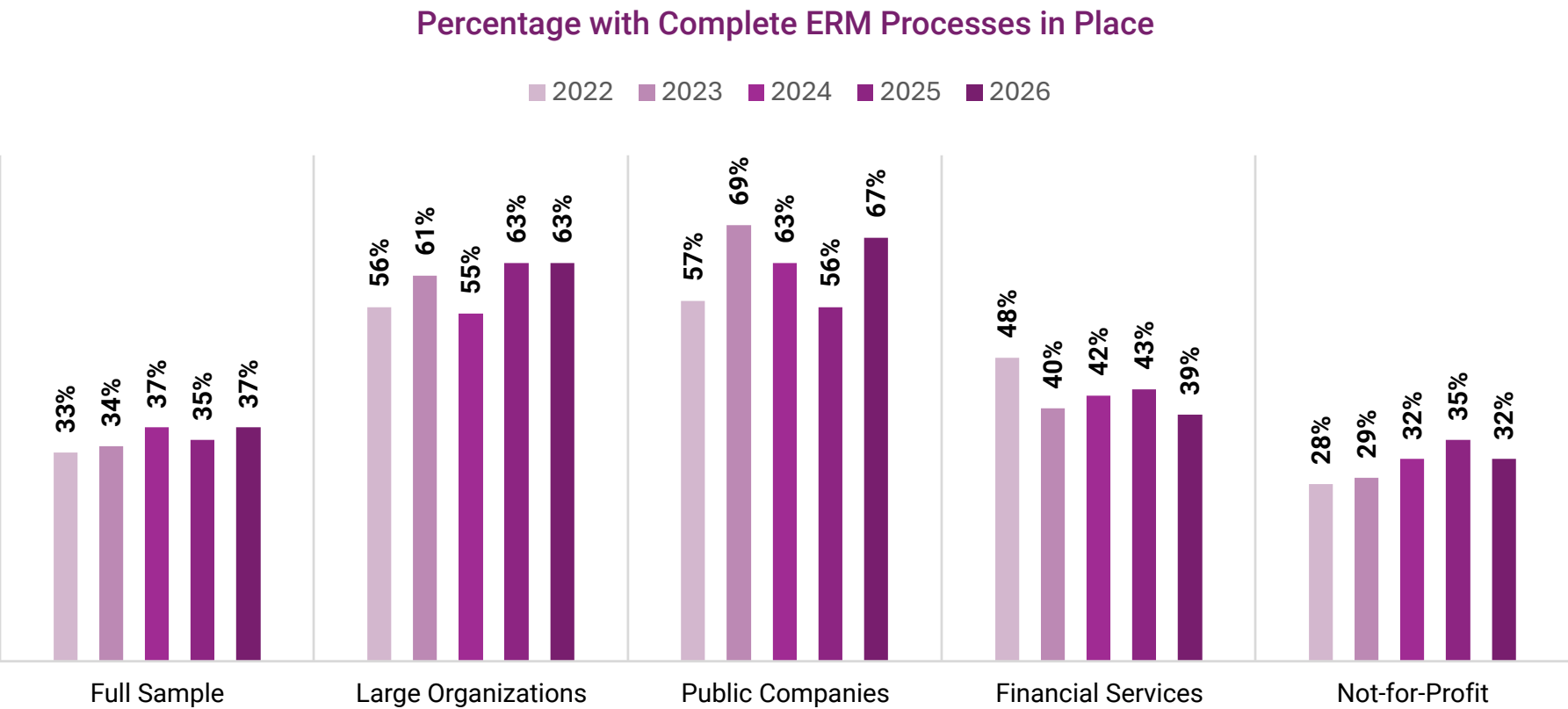
Comprehensiveness of Risk Management Processes

Question: Which of the following best describes your organization's current state of risk management implementation?

Following is a breakdown of 2026 responses.

Description of the State of ERM Currently in Place	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-For-Profit Organizations
No enterprise-wide management process in place	13%	1%	1%	14%	7%
Currently investigating concept of enterprise wide risk management, but have made no decisions yet	6%	1%	1%	2%	9%
No formal enterprise-wide risk management process in place, but have plans to implement one	7%	3%	5%	6%	5%
Partial enterprise-wide risk management process in place (i.e., some, but not all, risk areas addressed)	37%	32%	26%	39%	47%
Complete formal enterprise-wide risk management process in place	37%	63%	67%	39%	32%

Over the past five years by type of organization:



Theme 4-Impediments for Advancing Risk Management

Question: What impedes progress in how organizations manage risks?

Answers at a Glance

- ▶ There are several reasons leaders may not be motivated to embrace a more holistic approach to enterprise-wide risk management, with some concluding that risks are already managed effectively in other ways.
- ▶ Perceptions that there are more important competing priorities may be limiting the attention and engagement in risk management among the leadership team for many organizations.
- ▶ Some executives perceive that the required investments needed to make improvements do not outweigh the benefits, suggesting that some executives may focus more on the resources needed without focusing sufficiently on the consequences of risk events should they occur.

Issues to Discuss with Your Leadership

1. What cultural barriers are limiting senior executives from recognizing the importance of a more strategic approach to understanding and managing enterprise-wide risks?
2. What can our organization do to raise awareness of the importance and need for effective enterprise-wide risk management?
3. How might a shift in focus from “risk management” to “strengthening resilience” and/or “identifying opportunities” help business leaders see the value of enhancing how we approach risk management?

Data-Informed Insights from Executives

Before real progress can be made in strengthening an organization’s approach to risk management, C-suite executives and boards of directors need to identify cultural elements within an organization that may represent resistance to efforts to improve its approach to risk management. Survey participants were asked the following questions about factors that are holding organizations back from advancing the effectiveness of their risk management processes. The bar charts and tables provide more details about 2026 responses.

Addressing Resistance to Engaging in Risk Management

Question: For those organizations that have not yet implemented an enterprise-wide risk management (ERM) process, what are the primary reasons?

Percentage of respondents who indicating that each of the following “mostly” to “extensively” is impeding risk management progress	Percentage of Respondents Saying “Mostly” or “Extensively”				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Risks are monitored in other ways besides ERM	30%	24%	63%	39%	32%
Too many pressing needs	17%	18%	38%	14%	24%
No requests to change our risk management approach	14%	24%	50%	16%	15%
Do not see benefits exceeding costs	11%	6%	13%	18%	10%
No one to lead effort	9%	18%	13%	5%	10%
Would overcomplicate what can be best done ad hoc	11%	12%	13%	9%	10%

Question: To what extent are the following factors creating barriers for your organization’s implementation of an effective enterprise-wide risk management process?

Percentage of respondents who describe each of the following as being a “barrier” or “significant barrier” to effective ERM	Percentage Identifying Each as Impediment to ERM Implementation				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Insufficient resources	45%	43%	43%	50%	44%
Competing priorities	44%	51%	43%	48%	49%
Lack of perceived value	33%	36%	30%	29%	36%
Perception ERM adds bureaucracy	28%	25%	18%	29%	26%
Lack of board or senior executive ERM leadership	24%	15%	15%	20%	27%
Legal or regulatory barriers	8%	6%	8%	11%	7%

Theme 5-Opportunities to Leverage Risk Insights for Strategic Value

Question: How valuable are risk insights generated from risk management activities to strategic decision-making?

Answers at a Glance

- ▶ Most organizations do not view their risk management processes as providing strategic advantage. Organizations appear to be struggling to integrate their risk management and strategic decision-making processes. Public companies in our sample are the most likely to be realizing value from their risk management activities.
- ▶ Information about important potential risk exposures is not a common component of their strategic planning activities for about one-half of organizations.
- ▶ Except for financial services organizations, only about one-quarter of organizations have formally articulated their appetite for taking risks.
- ▶ Among the different types of risks most frequently identified, emerging, strategic, market risks are *least* likely to be considered in the risk identification process. Most of the risk focus is on IT, legal/compliance, and/or operational risks.
- ▶ Most risk management processes are not geared toward identifying long-term risks.

Issues to Discuss with Your Leadership

1. To what extent is the output of our risk management process an important input to strategic planning? What could be done to improve our strategic planning process to formally embed risk considerations into our planning and decision-making?
2. What is the level of interaction and engagement between our risk management leaders and those making important strategic decisions? Are all the right people included in our strategic planning process?
3. How clear is the mapping of our enterprise's top risks to our key business drivers and strategic initiatives? Which drivers or initiatives are most exposed to key risks?
4. When budget allocation decisions are made across the organization, to what extent are differences in risk conditions informing our resourcing decisions?
5. What can be done to increase our organization's risk identification focus on emerging, strategic, and market risks?
6. How can our organization enhance the risk identification process to prompt more "out of the box" thinking about risks and to help us consider longer-term risks on the horizon in addition to short-term risks?

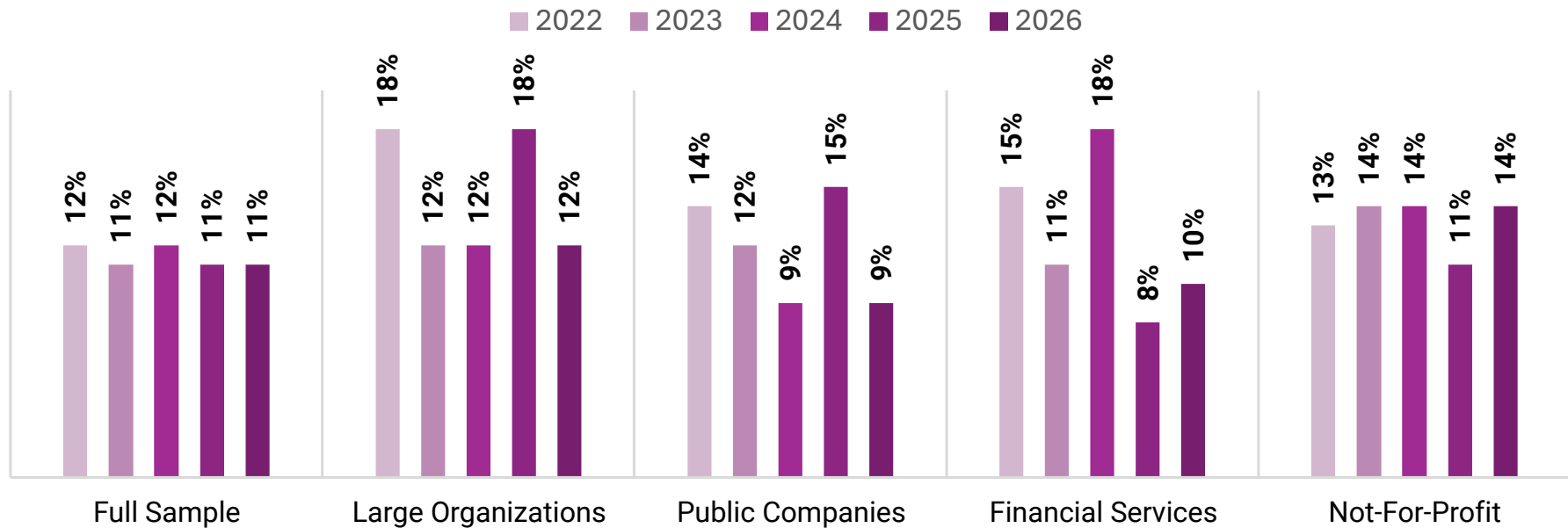
Data-Informed Insights from Executives

Identifying and understanding risks *before* they become significant will provide invaluable intelligence that management and boards can use for strategic value. The more they can integrate risk insights into a key strategic decision, the more they can identify mitigation strategies to proactively manage risks before they occur. To learn more about whether risk management activities provide strategic value for decision-making, survey participants were asked the following questions. The bar charts and tables provide more details about the responses we received this year.

Strategic Value of Risk Management

Question: To what extent is the organization's risk management process a proprietary strategic tool that provides unique competitive advantage?

Percentage Who Believe Risk Management "Mostly" or "Extensively" Provides Strategic Advantage



Following is a breakdown of the responses.

To what extent do you believe the organization's risk management process is a proprietary strategic tool that provides unique competitive advantage?	Percentage of Respondents				
	Not at All	Minimally	Somewhat	Mostly	Extensively
Full sample	34%	28%	27%	10%	1%
Large organizations	18%	34%	37%	12%	0%
Public companies	19%	34%	37%	9%	0%
Financial Services	24%	34%	32%	8%	2%
Not-for-Profit Organizations	34%	23%	29%	12%	2%

Categories of Risks Receiving the Most Attention

Question: To what extent does your organization's ERM process "mostly" to "extensively" formally consider each of the following risk categories?

To what extent does your organization's ERM process "mostly" to "extensively" formally consider these risk categories?	Percentage of Respondents Indicating Extent as "Mostly" to "Extensively"				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Information Technology System Risks	71%	84%	78%	73%	76%
Legal Regulatory/Compliance Risks	63%	72%	67%	77%	63%
Financing/Investing/Financial Reporting Risks	57%	78%	73%	61%	66%
Operational/Supply Chain/Process Risks	52%	75%	78%	51%	49%
Reputational/Political Risk	46%	62%	48%	42%	56%
Emerging Strategic/Market/Industry Risks	46%	67%	57%	51%	50%

Integration of Risk Information with Strategic Planning

Question: Has your organization articulated its appetite or tolerances of risks in the context of strategic planning?

Percentage of respondents who selected “mostly” to “extensively” to the following statement	Percentage of Respondents Saying “Mostly” or “Extensively”				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Organization has articulated its appetite for or tolerance of risks in the context of strategic planning	29%	24%	31%	51%	20%

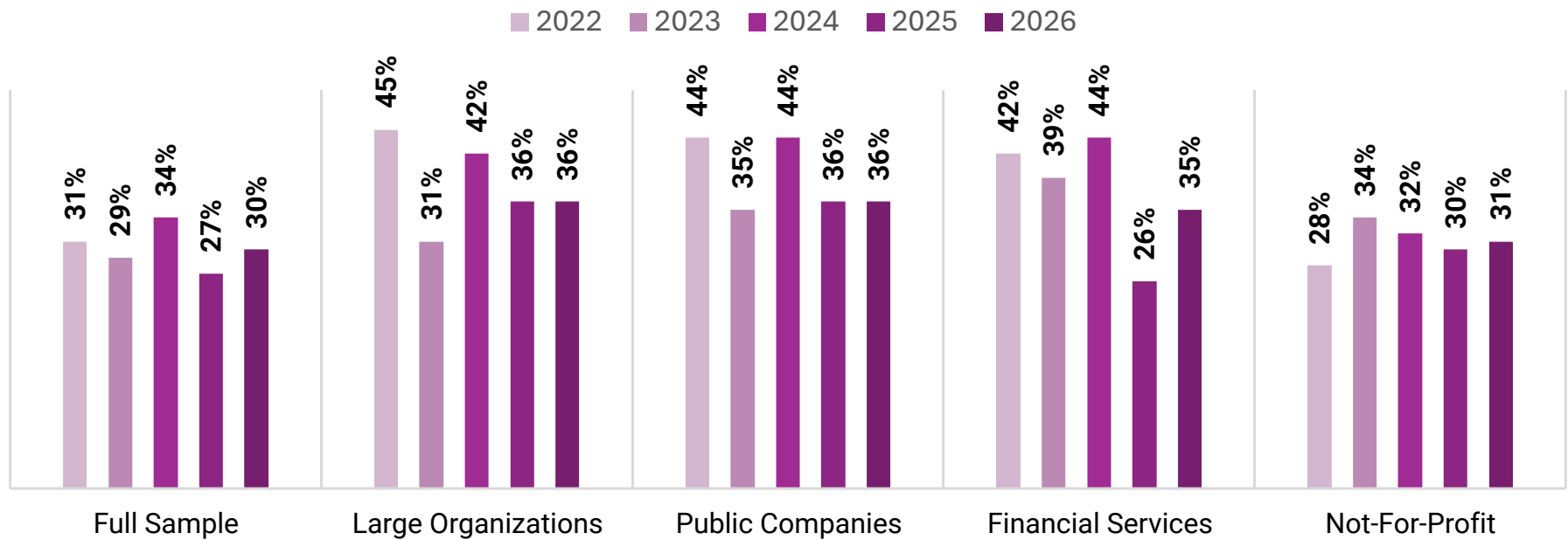
Question: To what extent are risk exposures considered in strategic planning, evaluation of strategic initiatives, or capital allocation decisions?

Percentage of respondents who selected “mostly” to “extensively” to the following statements	Percentage of Respondents Saying “Mostly” or “Extensively”				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Information generated by the organization’s risk management process is formally discussed when the board discusses the organization’s strategic plan	30%	38%	37%	39%	22%
Existing risk exposures are considered when evaluating possible new strategic initiatives	43%	41%	46%	64%	31%
Risk exposures are considered when making capital allocations to functional units	29%	27%	28%	38%	21%

Linking Risk Management to Reputation and Brand

Question: To what extent does your organization's ERM process help management identify and manage a significant risk event that may impact your organization's reputation and brand?

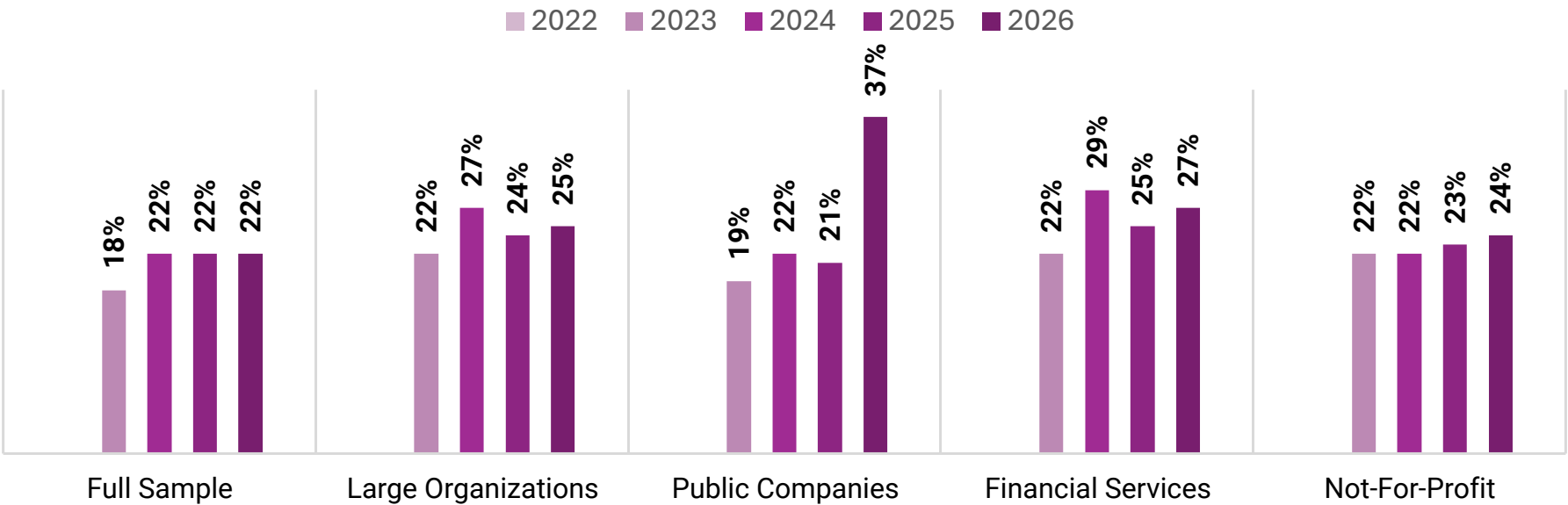
Percentage Who Believe Risk Management Process "Mostly" or "Extensively" Helps Manage Reputation and Brand



Attention to Long-Term Risk Trends

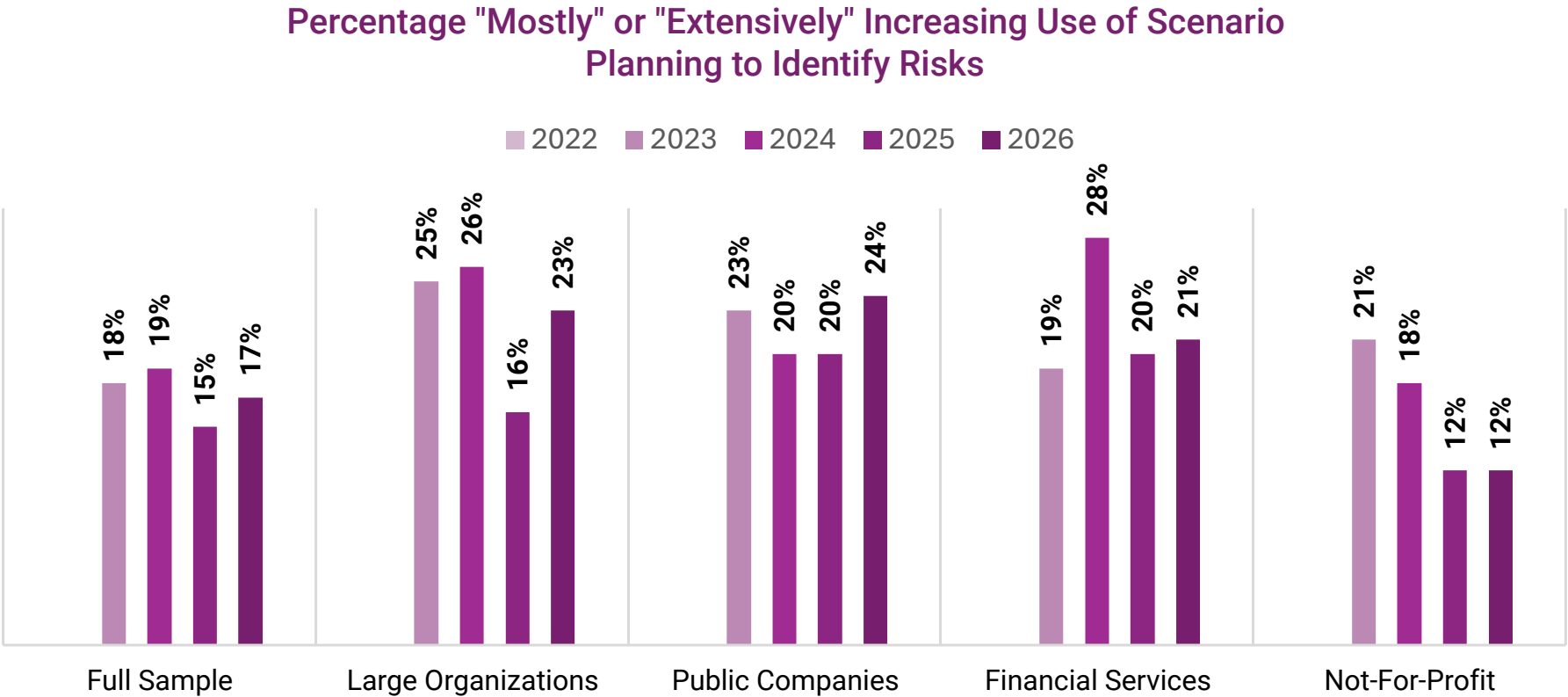
Question: To what extent is the organization's risk management process explicitly engaging management in thinking about long-term risks (i.e., risks at least 5–10 years out)?

Percentage "Mostly" or "Extensively" Thinking About Long-term Risks



Note: This question was first asked in the 2023 survey (no data for 2022)

Question: To what extent will your organization increase its use of formalized scenario planning to anticipate future risks?



Note: This question was first asked in the 2023 survey (no data for 2022)

Theme 6-Management-Level Accountabilities for Navigating Risks

Question: Who among management is responsible for leading the risk management process?

Answers at a Glance

- ▶ In recent years, there has been a steady increase in the percentage of organizations appointing an individual to serve as chief risk officer (or senior executive equivalent), with just under two-thirds of large organizations and publicly traded companies appointing someone to serve in that role.
- ▶ Over three-fourths of large organizations and public companies have a management-level risk committee, with most management-level risk committees meeting quarterly followed by about one-fourth of organizations whose committees meet monthly.
- ▶ Most management-level risk committees include representation of a wide range of functions across the organization, strengthening the enterprise-wide view of risks.

Issues to Discuss with Your Leadership

1. What individual “owns” the design and implementation of our organization’s approach to risk management? Is that the most effective person for this kind of leadership position and are they at the right level within the organization?
2. Are risks assigned to “risk owners” across the enterprise so that accountabilities for risk management are clear?
3. For those organizations without a management-level risk committee, is there an already existing executive-level committee (e.g., executive committee) that could serve also as the risk committee with regularly scheduled agenda time to discuss enterprise risks?

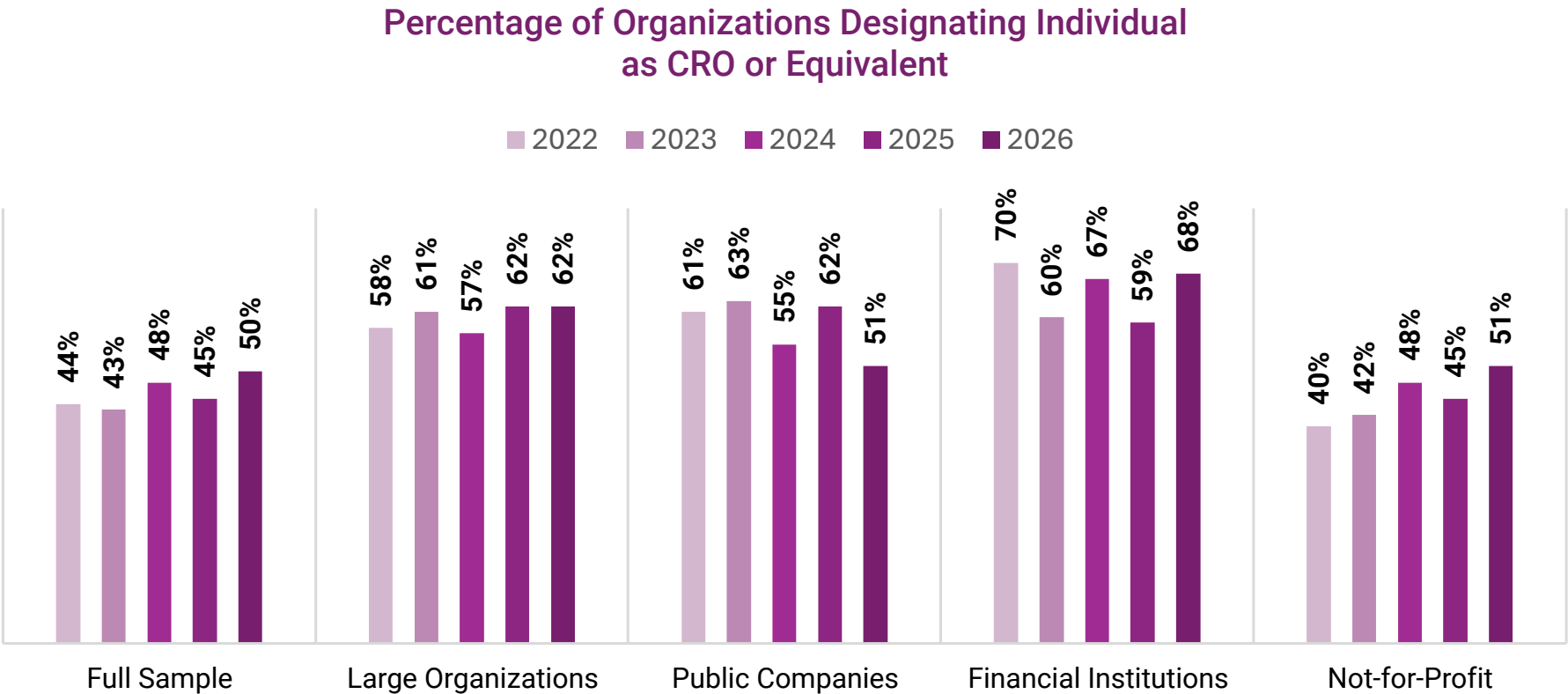
Data-Informed Insights from Executives

For advances to be made in an organization’s risk management process, leadership is needed to help motivate and advise executives about risk management processes across an enterprise. Survey respondents were asked to provide information about who among management is responsible for leading the enterprise-wide risk management program. The findings are shown in the bar graphs and tables that follow.

Appointments of Chief Risk Officers

Question: Has your organization formally designated an individual to serve as the chief risk officer (CRO) or senior risk executive equivalent?

Following are responses across types of organizations for the past five years.



Following are responses across types of organizations for 2026.

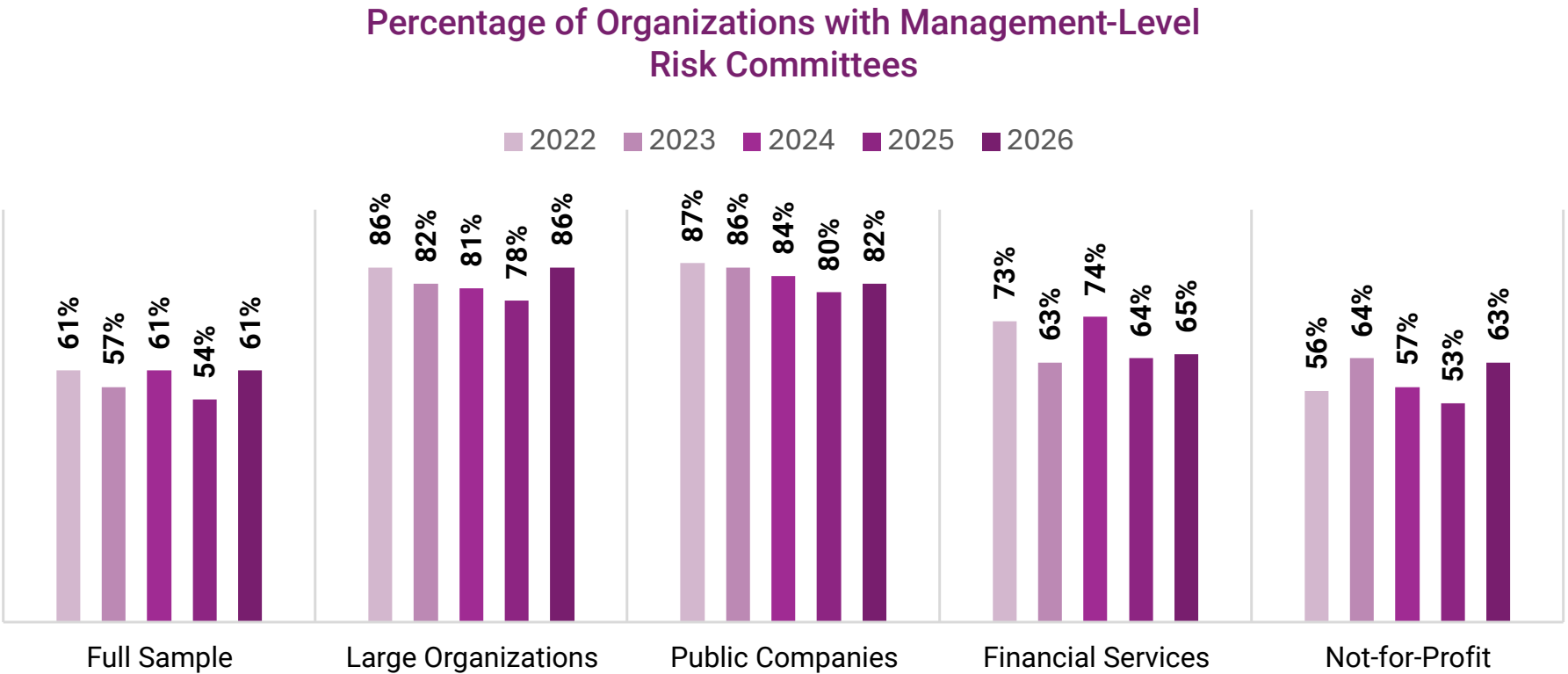
Question: For those organizations that have formally designated an individual to serve as CRO, to whom does that person report?

To Whom Does the CRO Formally Report?	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Board of Directors or Committee of the Board	23%	17%	21%	23%	16%
Chief Executive Officer or President	39%	37%	38%	54%	35%
Chief Financial Officer	22%	33%	29%	9%	29%
General Counsel	9%	10%	6%	4%	16%
Chief Operating Officer	2%	2%	3%	2%	4%
Other "C-Level" Officer	5%	1%	3%	8%	0%

Reliance on Risk Management Committees

Question: Does your organization have a management-level risk committee or equivalent committee consisting of (at least some of) the entity’s senior executives that formally discusses enterprise level risks?

Following are responses across types of organizations for the past five years.



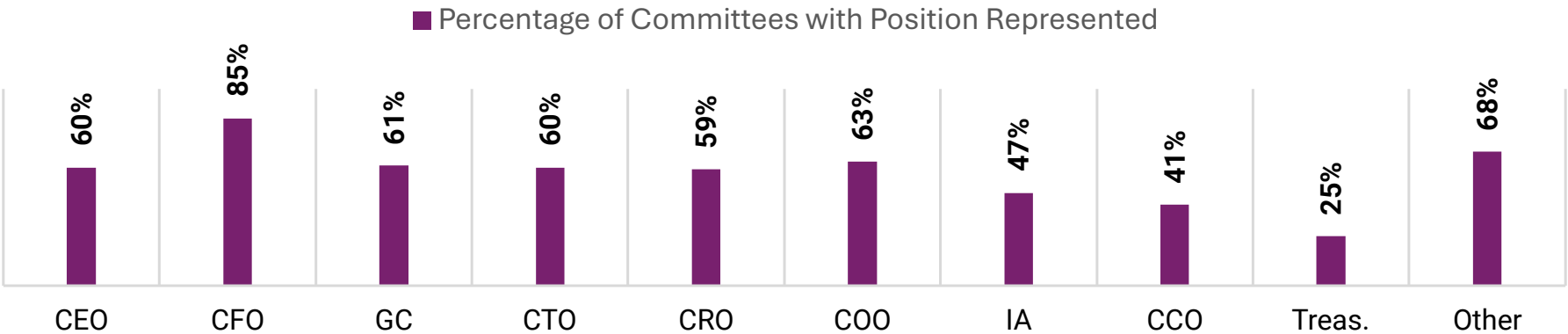
Following are responses across types of organizations for 2026.

Question: If your organization has a management-level risk committee, how often does it formally meet?

Percentage of Respondents					
How Frequently Does the Management-Level Risk Committee Meet?	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Annually	4%	6%	7%	2%	3%
Semiannually	12%	6%	2%	5%	13%
Quarterly	57%	66%	69%	53%	63%
Monthly	21%	22%	16%	31%	16%
Daily/Weekly/Biweekly	6%	0%	6%	9%	5%

Question: If your organization has a management-level risk committee, who serves on the committee?

Frequency of C-Suite Members Serving on Risk Committees



Legend:

- | | | | | | |
|------------|-------------------------|------------|--------------------------|---------------|--------------------------|
| CEO | Chief Executive Officer | CTO | Chief Technology Officer | IA | Head of Internal Audit |
| CFO | Chief Financial Officer | CRO | Chief Risk Officer | CCO | Chief Compliance Officer |
| GC | General Counsel | COO | Chief Operating Officer | TREAS. | Treasurer |

Theme 7-Board Oversight of Risks

Question: How is the board of directors fulfilling its risk oversight processes?

Answers at a Glance

- ▶ Most boards of directors delegate responsibility for overseeing management's risk management processes to a subcommittee, which generally is the audit committee.
- ▶ Boards identify a specific meeting to discuss an aggregate list or report describing the top risk exposures facing the organization. That is done in over 75% of public companies.

Issues to Discuss with Your Leadership

1. How does our board of directors evaluate the effectiveness of management's risk management processes?
2. Would individual members who serve on the board of directors be able to consistently identify the top risks identified by management's risk management process?
3. Is board discussion about risks sufficiently robust and is there a consensus understanding of the most important risks to the organization?
4. Does the board compare management's report of our top risks to external sources about top risks facing other organizations for completeness?

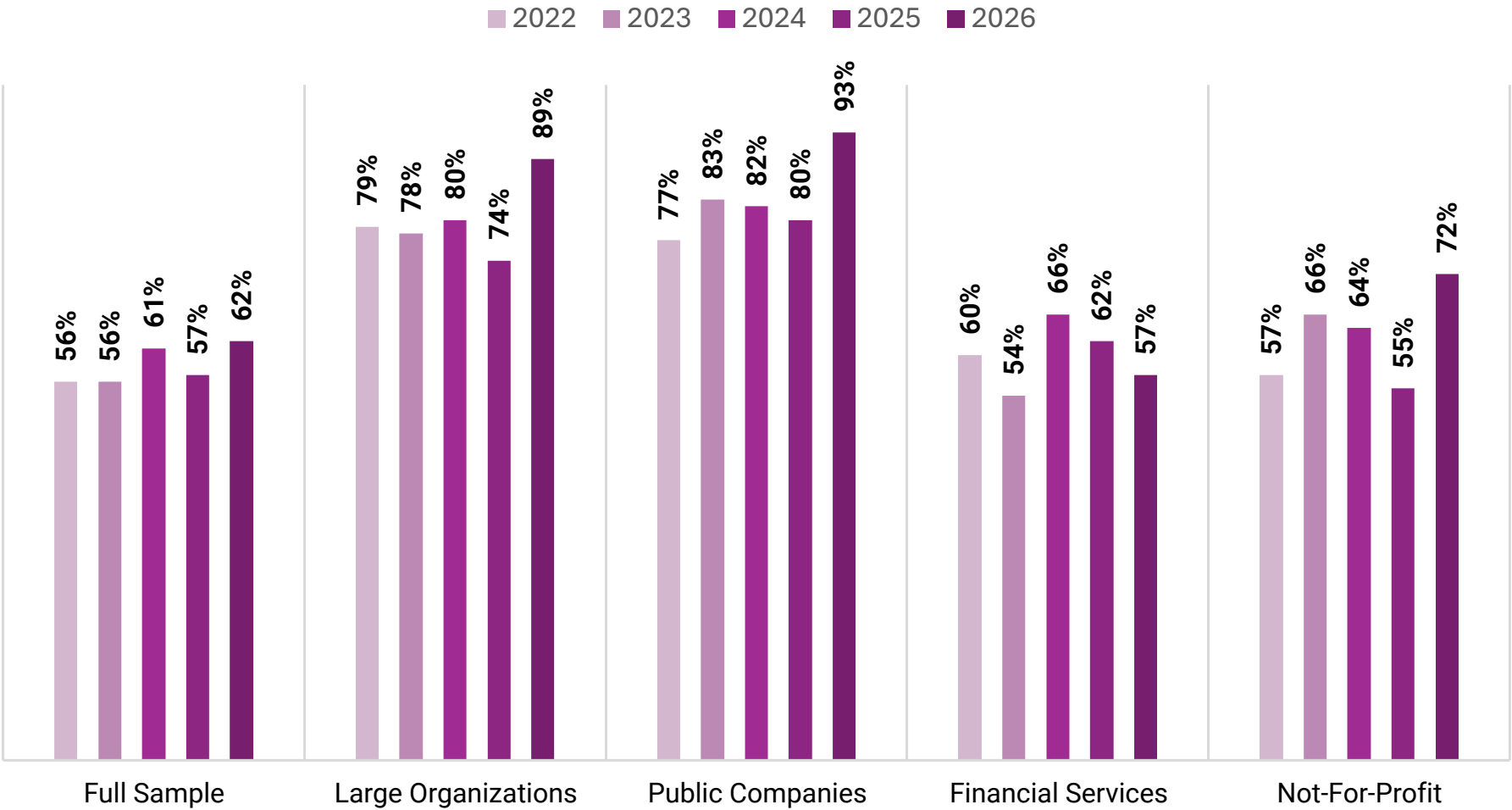
Data-Informed Insights from Executives

Boards play a primary role in establishing an appropriate tone at the top about the importance of risk management for an organization. Survey participants were asked the following questions about the board's level of engagement in risk oversight activities. The bar charts and tables provide more details about 2026 responses.

Board of Director Risk Leadership

Question: Has the board of directors assigned to one of its board committees formal responsibility for overseeing management’s risk assessment and risk management processes?

Percentage That Delegated Risk Oversight to a Board Committee

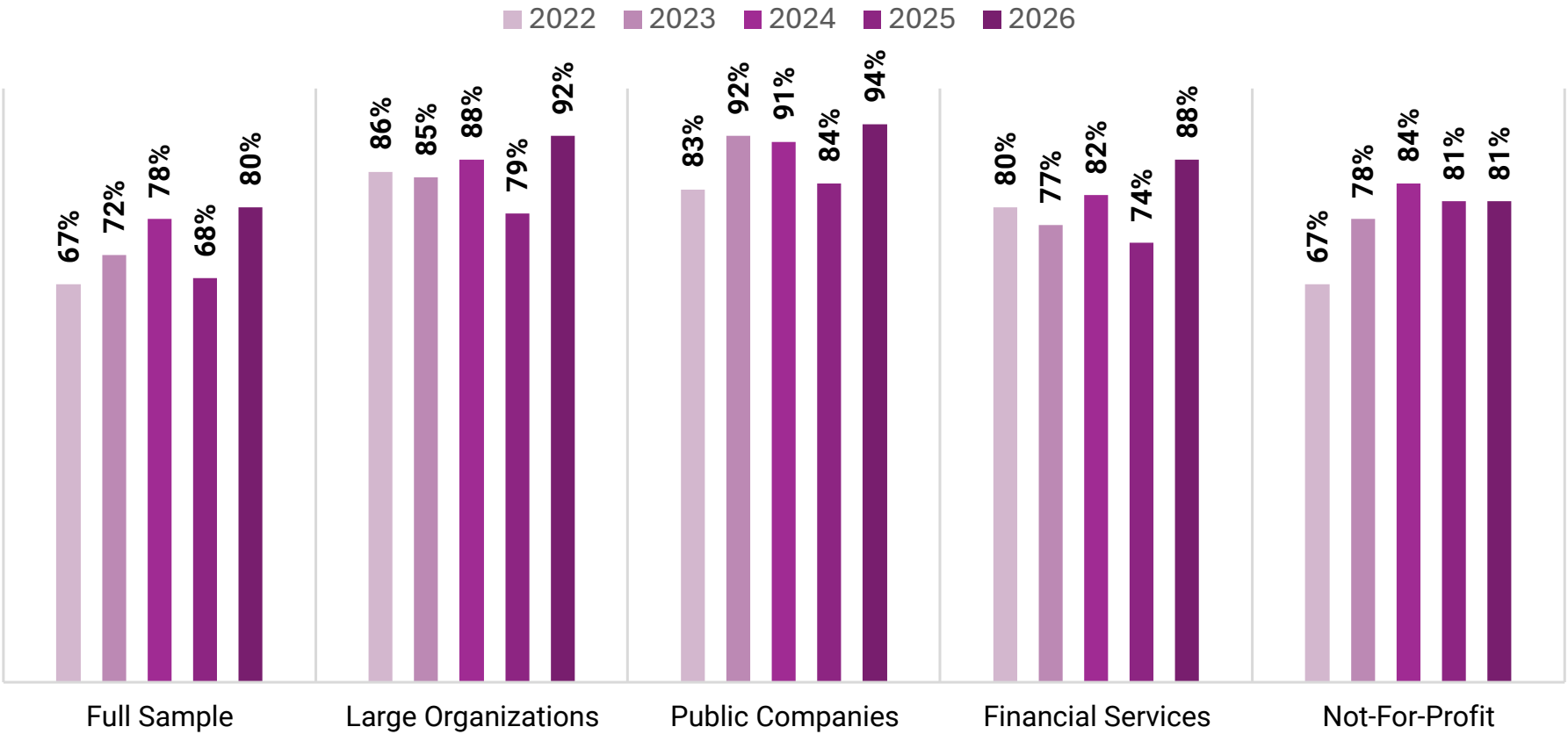


Question: For those organizations whose board of directors has assigned formal responsibility for overseeing management’s risk assessment and risk management processes to a subcommittee, to which committee of the board has the formal assignment been made?

If board delegates formal responsibility of risk oversight to a subcommittee, which committee is responsible?	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Audit committee	53%	62%	74%	19%	63%
Risk committee	26%	28%	24%	67%	17%
Executive committee	9%	1%	0%	12%	0%
Corporate Governance committee	4%	4%	0%	0%	7%
Other	8%	5%	2%	2%	13%

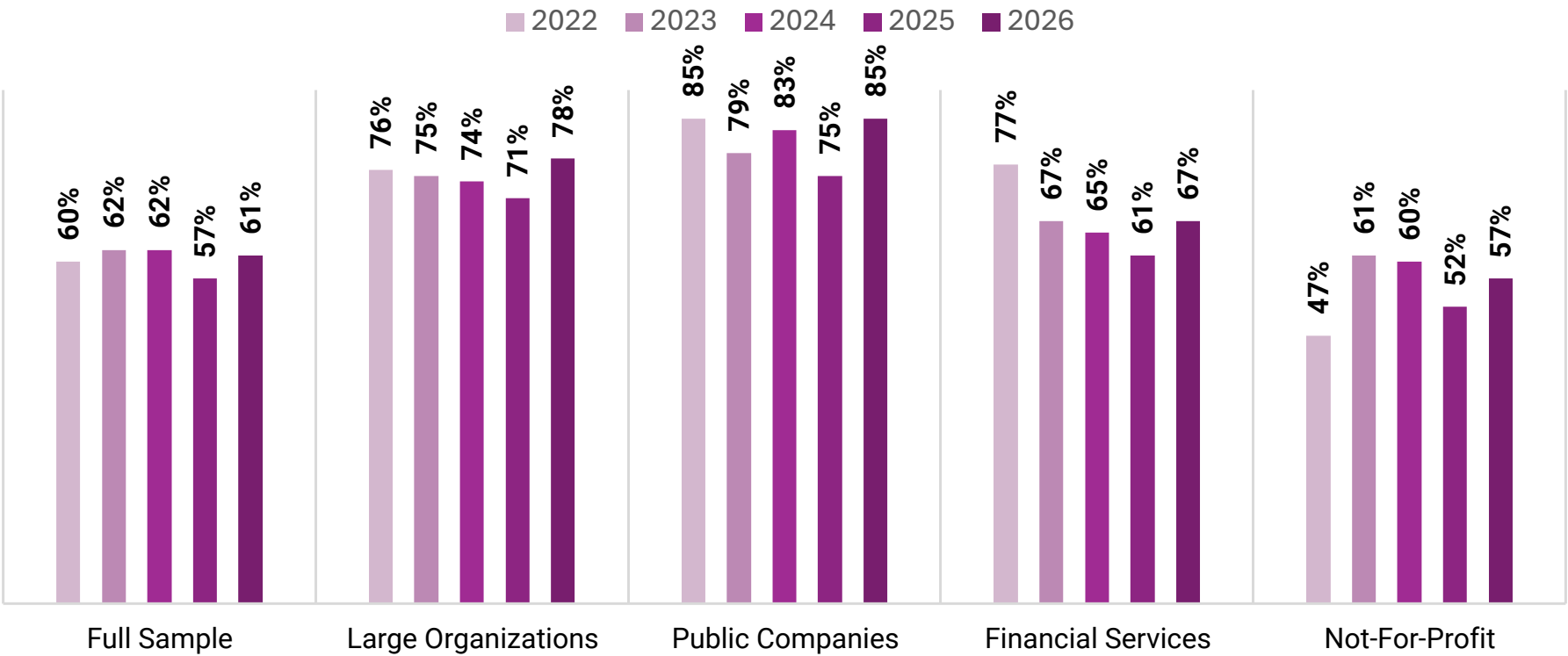
Question: Is the formal risk oversight responsibility explicitly noted in that committee’s charter?

Percentage That Explicitly Describe Risk Oversight Responsibility
in Committee Charter



Question: Does the full board review and discuss in a specific meeting an aggregate list or report describing the top risk exposures facing the organization?

Percentage That Set Aside Specific Meeting For Risk Discussions



Theme 8-Monitoring and Communicating Risk Information

Question: What techniques are used by management to monitor and communicate risk information?

Answers at a Glance

- ▶ Considering the changing risk landscape and the need for risk information, there is a steady increase in the percentage of organizations that provide a formal report of top risk exposures to the board at least annually.
- ▶ Over one-half of the full sample and 84% of large organizations and 92% of public companies do so at least annually, with just under half doing so quarterly.
- ▶ The escalation and communication of risks to senior executives is mostly occurring through *ad hoc* discussions versus meetings formally devoted to risk discussions.
- ▶ Most organizations report between 5 and 19 risks to the board as part of their formal report about top risks.

Issues to Discuss with Your Leadership

1. How effective is the reporting about top risks to our executive leadership team and the board of directors?
2. Are the nature and type of information about top risks communicated to management and the board helpful in making strategic decisions?
3. When risk information is communicated to executive leadership and the board, is it generating robust discussion and dialogue about risk conditions?
4. Is the communication of top risks effectively linking risks to key strategies of the organization so that executive leadership and the board better understand the strategic significance of top risks?

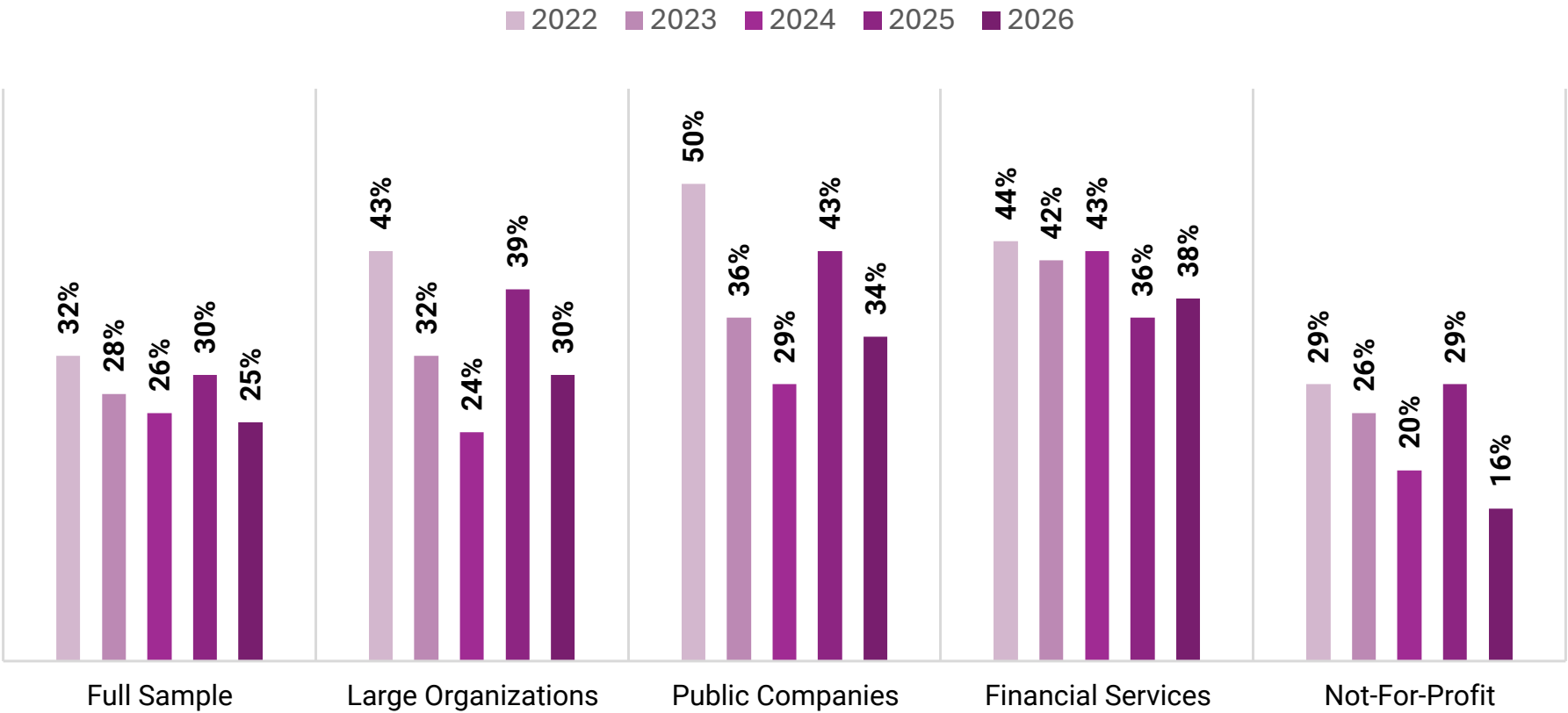
Data-Informed Insights from Executives

The escalation of risk insights to C-suite executives and boards of directors is critical for risk intelligence to inform key strategic decisions. An effective risk management program is one that generates robust conversations about potential risk concerns, including discussion about the effectiveness of risk responses. Accurate and substantive communication of information about enterprise-wide risks and the related responses is necessary for robust dialogue to occur. A series of questions were asked to gain insights into the need for and method and frequency of risk communications.

Monitoring Risk Trends

Question: How robust is the nature and extent of reporting of key risk indicators to senior executives regarding the entity's top risk exposures?

Percentage Describing Robustness of Key Risk Indicators as "Mostly" to "Extensively" Robust



Methods for Escalating Risk Information to Decision-Makers

Survey participants were asked the following questions about their communication of risk information to the executive leadership team and the board of directors. The following bar charts and tables provide more details about 2026 responses.

Question: How are key risks communicated by business units or by the office of the chief risk officer (or equivalent) to senior executives?

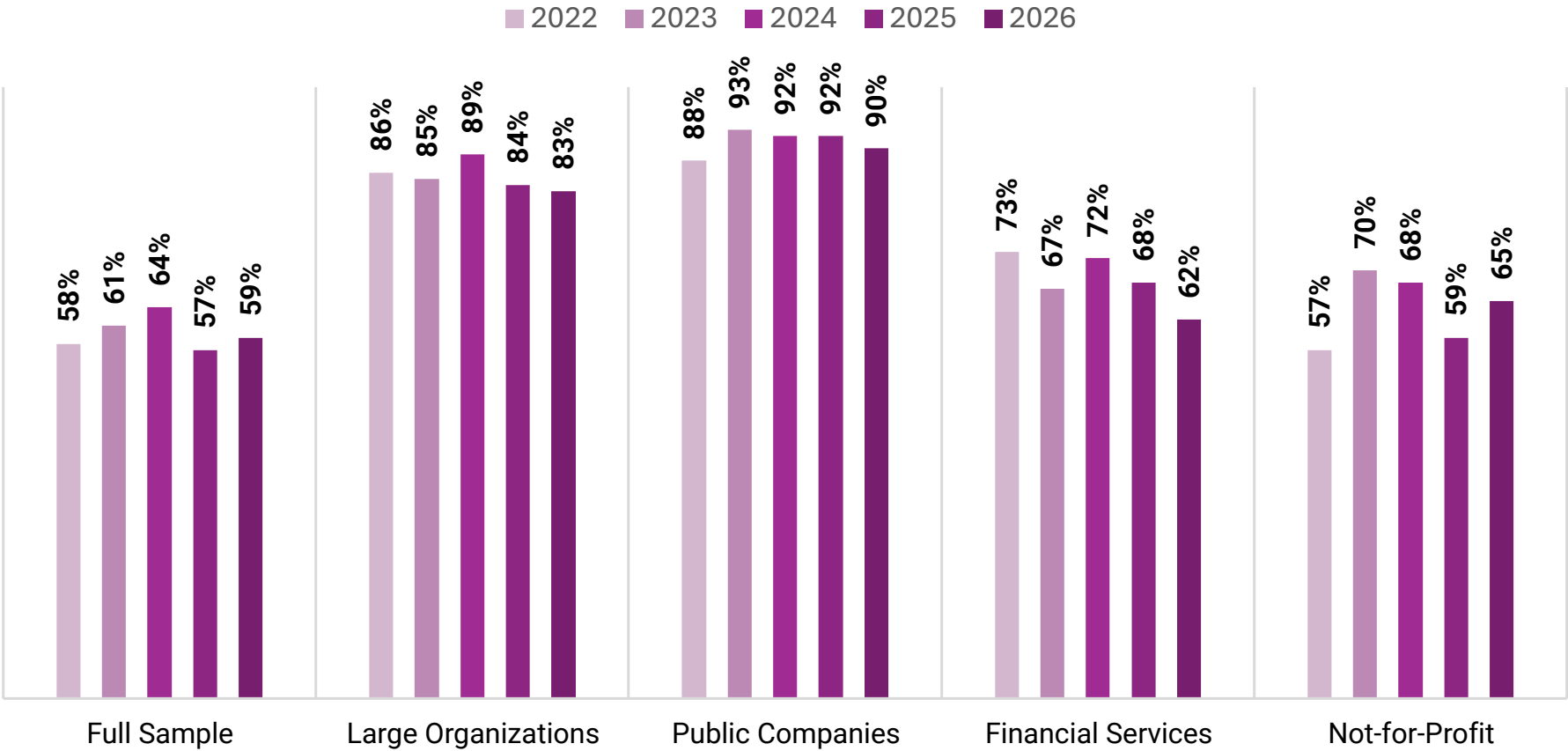
Note: More than one approach could be selected.

How are key risks communicated to senior executives?	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Ad hoc discussions at management meetings	56%	46%	42%	57%	52%
Scheduled agenda discussion at management meetings	39%	51%	45%	43%	45%
Monthly written risk report submitted by management	6%	7%	6%	8%	2%
Quarterly written risk report submitted by management	28%	40%	42%	38%	24%
Annual written risk report submitted by management	23%	37%	31%	14%	28%

Question: Does management provide a formal report describing the entity’s top risk exposures to a committee of the board of directors or the full board at least annually?

Following are responses across types of organizations for the past five years.

Percentage of Organizations Formally Reporting Top Risk Exposures to Board at Least Annually



Following are responses for 2026.

Question: How many top risk exposures are formally presented to a committee of the board of directors or to the full board of directors?

Percentage of organizations reporting the following number of risk exposures to the board of directors or one of its committees:	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Less than 5 risks	34%	6%	1%	32%	29%
Between 5 and 9 risks	28%	38%	39%	26%	37%
Between 10 and 19 risks	29%	44%	49%	27%	29%
20 or more risks	9%	12%	11%	15%	5%

Theme 9-Risk Management Fundamentals

Question: What techniques does management use to identify and prioritize risks?

Answers at a Glance

- ▶ Most organizations engage in a dedicated process to identify risks on an annual basis, with just under one-third doing so more frequently than once a year.
- ▶ Large organizations and public companies are most likely to maintain risk inventories at an enterprise level.
- ▶ Organizations often develop both likelihood and impact scales to provide guidelines for executives to rank-order risks.
- ▶ Most approaches used by entities to prioritize risks are more qualitative than quantitative, with few organizations mainly using quantitative approaches to assess risk probabilities and consequences.
- ▶ Few organizations possess robust key risk indicators (KRIs) that management can use to monitor shifts in risk conditions over time.

Issues to Discuss with Your Leadership

1. To what extent does our organization's approach to identifying risks help executives know more about "unknown, but knowable" risks rather than risks that are already "known"?
2. What challenges do our leadership team face in prioritizing our most important risks? For example, for those organizations that use scales to prioritize risk likelihood and impact, are those scales well understood and consistently applied?
3. Beyond considering likelihood and impact, how might our organization also consider other risk dimensions (e.g., speed of change, level of preparedness, interconnectedness to other risks) to prioritize risks?
4. What enhancements to our management dashboard do we need to make to provide metrics to effectively track changes in risks over time (i.e., key risk indicators)?

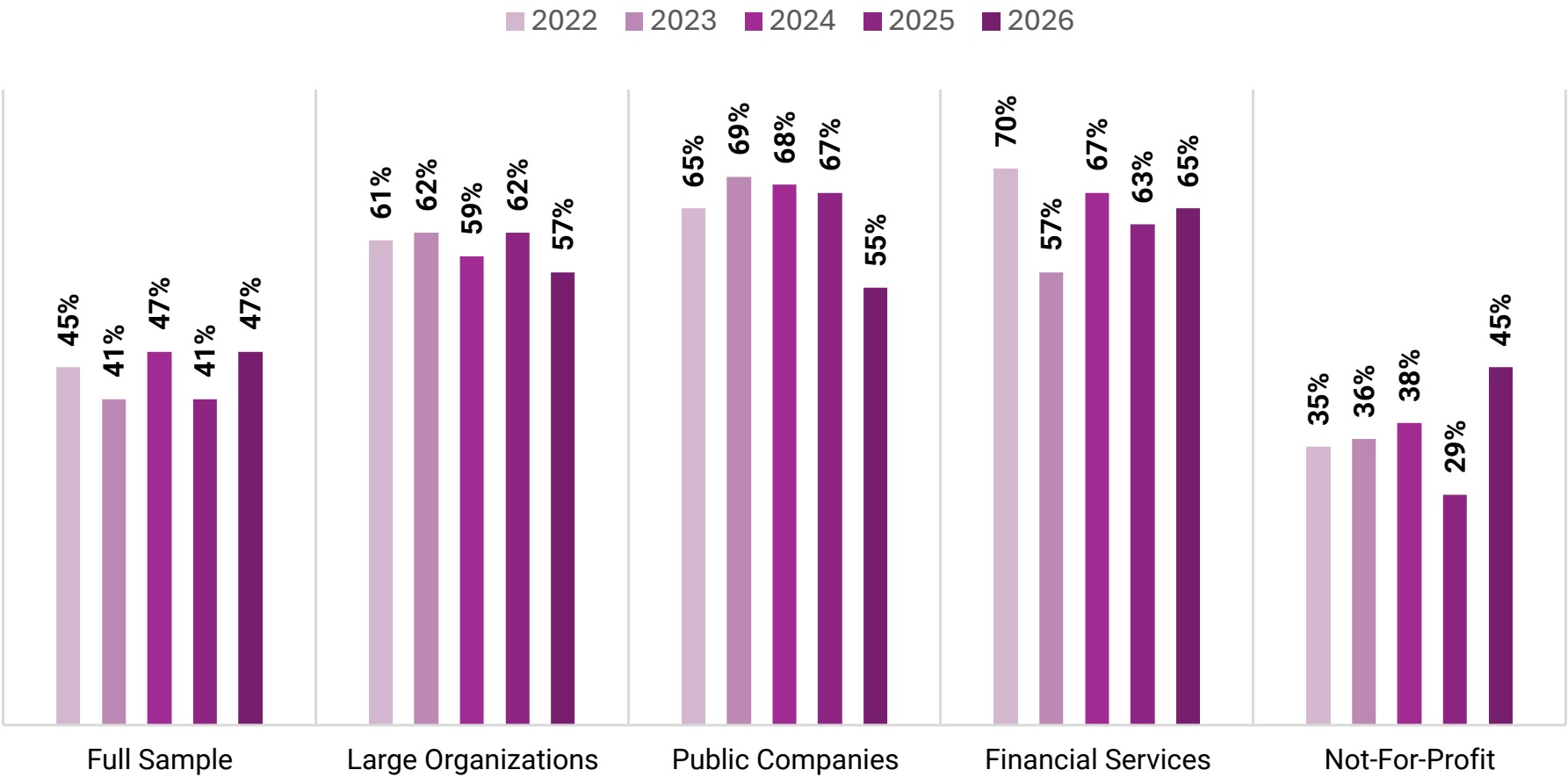
Data-Informed Insights from Executives

While business leaders likely think about various types of risks as they engage in day-to-day activities, there is value in employing an organized structured approach to identify risks so that management is more likely to move risks from an "unknown" to "known" state. Survey respondents were asked a series of questions to better understand the process of how management actively seeks to identify potential risks on the horizon, including the frequency and scope of those activities. The findings are shown in the bar graphs and tables that follow.

Creating a Commonly Understood Risk Language

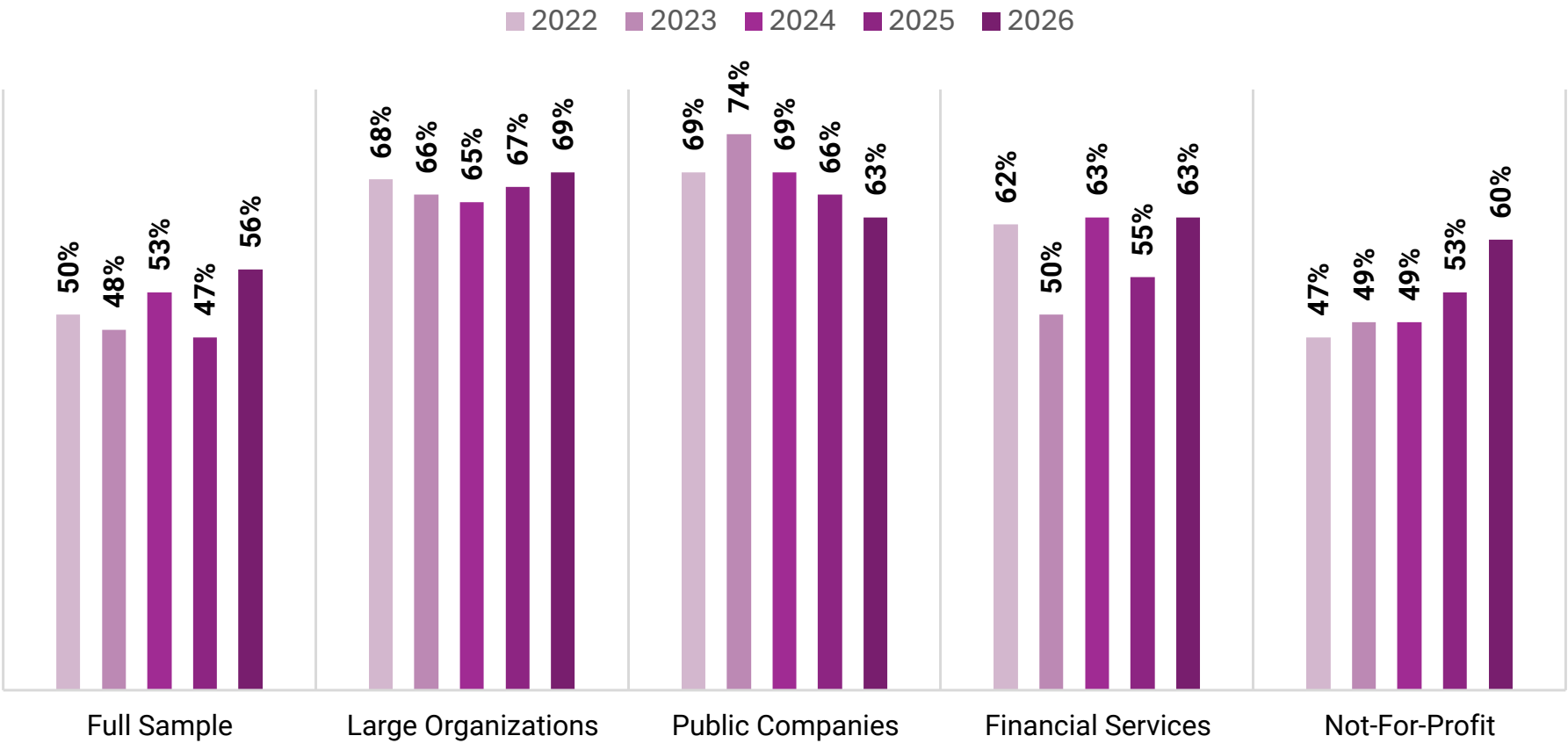
Question: Does your organization have a formal policy statement regarding its enterprise-wide approach to risk management?

Percentage with Formal Policy Statement



Question: Has your organization formally defined the meaning of the term “risk” for employees to use when identifying and assessing key risks?

Percentage That Have Formally Defined "Risk"



Question: For those organizations that have formally defined the term “risk,” what is the nature of that definition?

The definition of “risk” focuses on	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-For-Profit Organizations
Both “upside” risks (risk opportunities) and “downside” risks (threats to the organization)	62%	67%	67%	60%	67%
Only on “downside” of risks (threats to the organization)	35%	29%	29%	34%	31%
Neither	3%	4%	4%	6%	2%

Processes Used to Identify Risks on the Horizon

Question: At what level within your organization are inventories of key risks maintained?

	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-For-Profit Organizations
Percentage that maintain risk inventories at enterprise level	47%	73%	63%	48%	54%

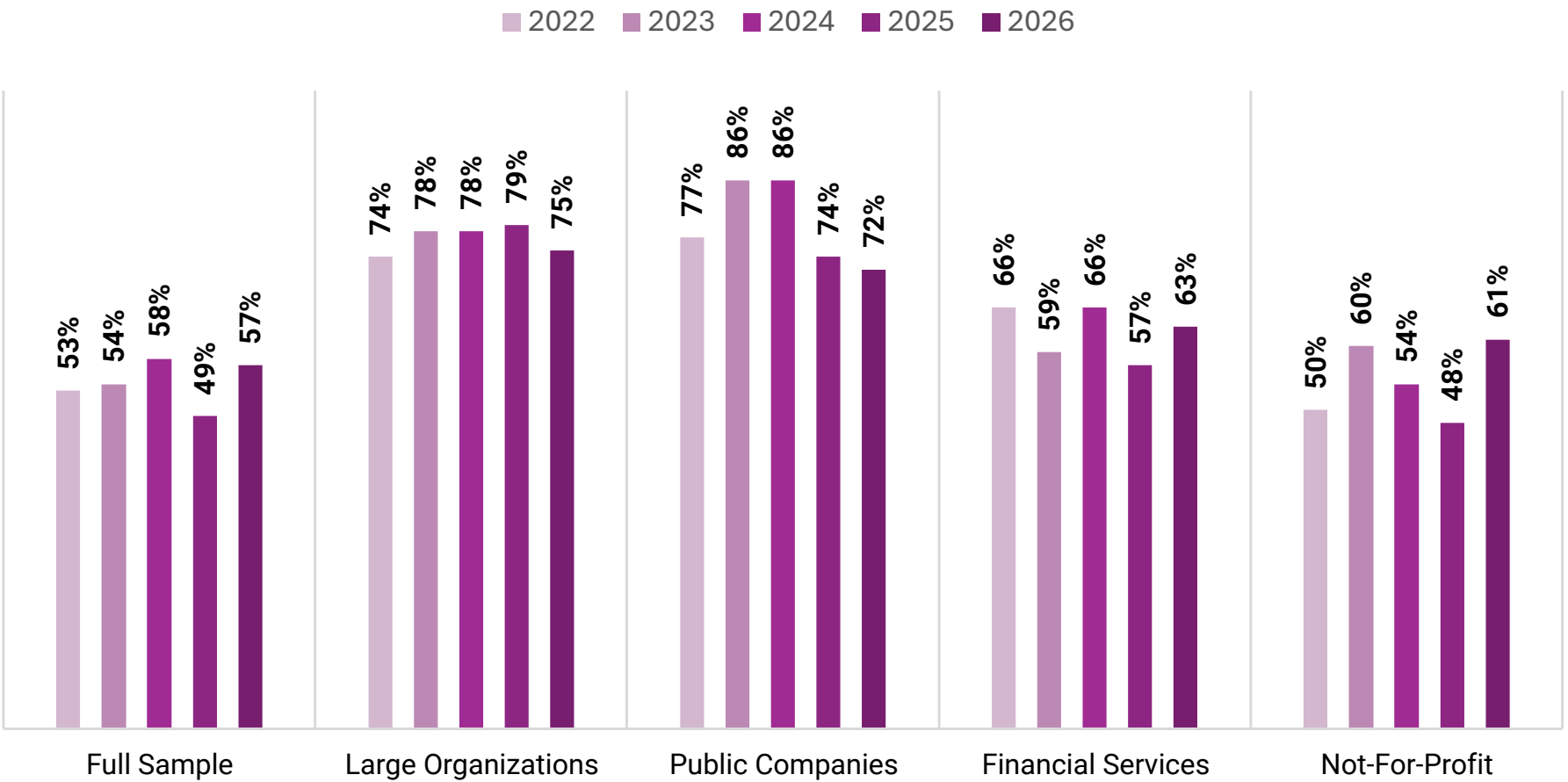
Question: How frequently does your organization go through a dedicated process to update its key risk inventories?

Frequency of Going Through Process to Update Key Risk Inventories	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Annually	48%	67%	54%	51%	55%
Semiannually	13%	11%	14%	10%	15%
Quarterly	17%	15%	24%	18%	13%
Monthly, Weekly, or Daily	4%	2%	3%	8%	3%
Not at all	18%	5%	5%	13%	14%

Processes Used to Prioritize Different Risks

Question: Does your organization have a standardized template for identifying and assessing risks?

Percentage That Have a Standardized Template to Identify Risks



Question: Has your organization provided explicit guidelines or measures to business unit leaders on how to assess the probability and impact of a risk event?

Percentage that provide guidelines to assess risk	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-For-Profit Organizations
Probability	50%	73%	76%	61%	47%
Impact	47%	69%	73%	52%	43%

Question: To what extent does your organization employ quantitative or qualitative techniques to assess risks?

Quantitative Versus Qualitative Approach to Risk Assessment	Percentage of Respondents				
	Full Sample	Large Organizations	Public Companies	Financial Services	Not-for-Profit Organizations
Mostly Quantitative Assessment (Models)	3%	2%	0%	2%	4%
A Blend, But More Quantitative	20%	24%	24%	26%	16%
A Blend, But More Qualitative	38%	50%	51%	45%	40%
Mostly Qualitative Assessments	19%	18%	21%	10%	21%
N/A – No Formal Assessment Done	20%	6%	4%	17%	19%

NEXT STEPS

This 17th Edition of The State of Risk Oversight report provides extensive data about the current level of risk management capabilities in 331 organizations in 2026. This data provides important insights into opportunities to strengthen the value of risk information to assist strategic decision-making.

Given the speed of change and rapidly developing innovations in today's fast-paced global business environment, the conclusion can be made that risk management is not getting easier, but more critical. The data summarized in this report suggests that while there have been steady improvements in overall risk management practices over the 17 years this study has been conducted, business leaders still struggle to recognize and embrace the benefits that proactive and robust risk management can provide for creating strategic value for the organization.

It is our hope that the data provided in this report along with the suggested discussion questions within each of the nine themes we addressed will help management teams and boards pinpoint opportunities to enhance their understanding of emerging risks that may affect their organization's strategic success.

We encourage management teams to engage in further dialogue about ways they can increase their ability to anticipate and more capably manage risks before they emerge. The following page lists 10 suggested questions that leaders can use to engage in productive conversations to enhance the strategic insights an effective risk management process can provide.

Taking time to engage your organization's leadership in a substantive discussion about opportunities to strengthen risk management before significant events emerge will better position the organization to be ready for risk management challenges as they emerge. Proactive management of risks can generate insights that can create strategic advantage.

NC State ERM Initiative [website](#) and the AICPA & CIMA's Management Accounting [web page](#) provide many resources to help executives and boards understand their responsibilities for risk oversight and effective tools and techniques to help them in those activities. We encourage executives and boards to take advantage of those resources provided.

Ten Diagnostic Questions for Leadership Discussion

To help leaders critically evaluate and enhance their organization's approach to risk oversight, consider the following questions:

- 1. How confident are we in our ability to see around corners?**
What signals or blind spots might limit our awareness of emerging risks before they materially impact the organization?
- 2. If a major disruption occurs tomorrow, where would we be least prepared — and why?**
What does that reveal about gaps in our current risk management approach?
- 3. How explicitly are risk considerations shaping our most important strategic choices?**
Can we point to specific decisions where risk insights materially altered the direction or design of a strategy?
- 4. Are we focusing on the right risks — or just the most visible ones?**
To what extent are we overlooking emerging, cross-cutting, or longer-term risks in favor of more familiar operational and compliance risks?
- 5. How effectively do we connect risks across the organization?**
Do we understand how individual risks interact and potentially amplify one another across business units and functions?
- 6. What behaviors does our culture encourage when it comes to risk?**
Are leaders incentivized to raise difficult risk issues early, or do organizational dynamics discourage open discussion of uncertainty and vulnerability?
- 7. How actionable is the risk information we provide to decision-makers?**
Does our reporting prompt timely decisions and meaningful dialogue, or does it primarily inform after-the-fact awareness?
- 8. Where are we relying too heavily on informal or *ad hoc* risk management practices?**
What would improve if those areas were supported by more structured, repeatable processes?
- 9. How aligned is our approach to risk with stakeholder expectations and external realities?**
Are there gaps between what stakeholders expect and what we currently deliver in terms of transparency, oversight, and responsiveness?
- 10. If we wanted risk management to become a source of strategic advantage, what would need to change?**
What specific capabilities, investments, or mindset shifts would move us from managing risk to leveraging it?

APPENDIX

OVERVIEW OF RESPONDENT DEMOGRAPHICS

This is the 17th year this study has been conducted to identify trends across a large number of organizations related to their enterprise risk management (ERM) processes. This study was conducted by research faculty who lead the Enterprise Risk Management Initiative (the ERM Initiative) in the Poole College of Management at North Carolina State University (for more information about the ERM Initiative please see <http://www.erm.ncsu.edu>). The research was conducted in conjunction with the American Institute of Certified Public Accountants' (AICPA) Management Accounting team ([Management Accounting & Finance | AICPA & CIMA \(aicpa-cima.com\)](#)).

Data was collected during the second quarter of 2026 through an online survey instrument sent to members of the AICPA's Business and Industry group who serve in chief financial officer or equivalent senior executive positions. In total, 331 fully completed surveys were received. This report summarizes these findings.

Description of Respondents

Respondents completed an online survey consisting of over 40 questions that sought information about various aspects of risk oversight within their organizations. Most of those questions have been the same across all 17 editions of the surveys that we have conducted each year from 2009–2026.

A variety of executives participated in our survey, with 21% serving as chief risk officers (CRO), 16% serving as chief financial officers (CFO), 9% leading internal audit, 5% serving as controllers or treasurers, and the remainder representing numerous other executive positions.

The respondents represent a broad range of industries. The most common industries represented in this year's survey were finance, insurance, and real estate (28%) and services (27%). Almost one-quarter of the respondents work in not-for-profit organizations. The mix of industries is generally consistent with the mix in our previous reports.

INDUSTRY (SIC CODES)	PERCENTAGE OF RESPONDENTS
For-Profit Entities:	
Finance, Insurance, Real Estate (SIC 60-67)	26%
Services (SIC 70-89)	21%
Manufacturing (SIC 20-39)	11%
Wholesale/Distribution (SIC 50-51)	4%
Retail (SIC 52-59)	3%
Transportation (SIC 40-49)	2%
Construction (SIC 15-17)	2%
Agriculture, Forestry, Fishing (SIC 01-09)	1%
Not-for-Profit (SIC N/A):	
Government Agencies, Universities, Non-Profits	30%

The respondents represent a variety of sizes of organizations. As shown in the following table, 40% of organizations have revenues of \$100 million or lower while 31% have revenues over \$1 billion. There is nice variation in organization size within the sample. Almost all (88%) of the organizations are based in the United States.

RANGE OF REVENUES IN MOST RECENT FISCAL YEAR	PERCENTAGE OF RESPONDENTS
\$0 <x < \$10 million	25%
\$10 million < x < \$100 million	15%
\$100 million < x < \$500 million	10%
\$500 million < x < \$1 billion	11%
\$1 billion < x < \$2 billion	5%
\$2 billion < x < \$10 billion	15%
x > \$10 billion	11%
Not reported	8%

Throughout this report, selected findings are highlighted that are notably different for the 102 largest organizations in our sample, which represent those with revenues greater than \$1 billion. Additionally, we also provide selected findings for the 67 publicly traded companies, 84 financial services entities, and 97 not-for-profit organizations included in our sample.

Because the completion of the survey was voluntary, there is some potential for bias if those choosing to respond differ significantly from those who did not respond. The study’s results may be limited to the extent that such bias exists. Furthermore, there is a high concentration of respondents representing financial reporting roles. Possibly, there are others leading the risk management effort within their organizations whose views are not captured in the responses we received. Despite these limitations, we believe the results reported herein provide useful insights about the current level of risk oversight maturity and sophistication and highlight many challenges associated with strengthening risk oversight in many different types of organizations.

AUTHOR BIOS

Both authors serve in leadership positions within the Enterprise Risk Management (ERM) Initiative at NC State University (<https://www.erm.ncsu.edu>). The ERM Initiative provides thought leadership about ERM practices and their integration with strategy and corporate governance. Faculty in the ERM Initiative frequently work with boards of directors and senior management teams helping them link ERM to strategy and governance.

Mark S. Beasley, CPA, Ph.D., is the Alan T. Dickson Distinguished Professor of Accounting and Director of the ERM Initiative at NC State University. He specializes in the study of enterprise risk management, corporate governance, financial statement fraud, and the financial reporting process. He completed over seven years of service as a board member of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and has served on other national-level task forces related to risk management issues. He also recently served as a member of the United Nation's Internal Control Advisory Group. He consults with boards and senior executive teams on risk governance issues, is a frequent speaker at national and international levels, and has published over 100 articles, research monographs, books, and other thought-related publications. He earned his Ph.D. at Michigan State University.

Bruce C. Branson, Ph.D., is an Alumni Distinguished Professor of Accounting and Associate Director of the ERM Initiative in the Poole College of Management at NC State University. His teaching and research is focused on enterprise risk management and financial reporting and includes an interest in the use of derivative securities and other hedging strategies for risk reduction/risk sharing. He also has examined the use of various forecasting and simulation tools to form expectations used in financial statement audits and in earnings forecasting research. He earned his Ph.D. at Florida State University.

About North Carolina State University ERM Initiative

The Enterprise Risk Management (ERM) Initiative in the Poole College of Management at North Carolina State University provides thought leadership about ERM practices and their integration with strategy and corporate governance. Faculty in the ERM Initiative frequently work with boards of directors and senior management teams helping them link ERM to strategy and governance, host executive workshops and educational training sessions, and issue research and thought papers on practical approaches to implementing more effective risk oversight techniques (www.erm.ncsu.edu).

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NC STATE Poole College of Management
Enterprise Risk Management Initiative

Contact us at: erm_initiative@ncsu.edu or 919.513.0901.

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